

صباحنا من الامل

FINANCIAL TIMES

Why UK should not shoot from the hip

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World News

Washington offers Iran cash for jet victims

The US has offered up to \$250,000 compensation for each of the 290 passengers and crew killed when the US warship Vincennes shot down an Iranian Airbus in the Gulf last year.

Gandhi-Bhutto clash

Rajiv Gandhi, India's Prime Minister, has accused Pakistan's nuclear programme is not under the control of Benazir Bhutto, the country's Prime Minister.

Soviet sub fault

Soviet Defence Minister Dmitry Yazov said a reactor fault forced a Soviet submarine to surface in the Barents Sea but denied Norwegian reports that there had been a fire on board.

B-2 Stealth flight

The US B-2 Stealth bomber, facing a barrage of criticism in Congress because of its high cost, flew for the first time following its \$23bn development.

Austrian EC bid

Austria formally applied to join the European Community, saying its neutrality was no obstacle to political and economic union.

Gulf War abuse

Iran and Iraq marked the first anniversary of Iran's acceptance of a ceasefire in the Gulf War with a fresh exchange of abuse.

Afghan violence fear

There are fears of an impending bloodbath between rival Afghan resistance groups after the massacre of 30 moderates.

Vatican-Polish ties

The Vatican announced it had established diplomatic relations with Warsaw for the first time since the communists took over Poland in 1984.

China denounces G7

China denounced the seven leading industrialised nations (G7) for "gross interference" in calling on Chinese authorities to stop their crackdown on pro-democracy protesters.

Czech blacklist

Czechoslovak authorities are blacklisting leading artistic performers who were among more than 7,000 people who supported a petition calling for civil rights and religious freedoms.

S Africa killings

Twenty people were killed in clashes between rival black groups in South Africa's Natal province.

S Korean charge

South Korea formally charged opposition member of parliament Suh Kyung-won with spying for the communist North, an offence carrying a maximum sentence of death.

Typhoon nears HK

Typhoon Gordon swept toward Hong Kong after killing at least 23 people and leaving thousands homeless in the Philippines.

IRA suspects held

French counter-intelligence agents have arrested three suspected members of the Irish Republican Army near the West German border.

Business Summary

US supports Hughes bid for \$150m satellite deal

Carla Hills, US Special Trade Representative, has backed a bid by Hughes, California-based satellite maker and General Motors subsidiary, to win a \$150m communications satellite contract from Brazil.

BRITISH Rail, UK state railway, is near settling a five-week pay dispute with its unions.

ARGENTINA'S Government is to sign a price freeze agreement with representatives of about 300 large companies, in an attempt to halt hyper-inflation.

EUROPEAN Community has suffered a deterioration in its trade surplus in telecommunications products.

CHASE Manhattan and J.P. Morgan, US banks, suffered substantial falls in profits in second quarter, while Security Pacific and First Chicago showed gains.

BANK of China has been forced to scale down development plans in its Hong Kong branch following the crushing of the pro-democracy movement in China.

LORD King, chairman of British Airways, UK flag carrier, defended his 116.6 per cent increase in salary to shareholders.

GRANT Western Financial Corporation, holding company of a California-based savings and loan, is issuing a \$200m variable rate note for placement in Asia.

HESSE state government, of West Germany, is selling its 50 per cent stake in Hessische Landesbank to savings banks for \$273.5m.

WANG, US minicomputer manufacturer, is facing an uncertain future with serious problems in technology, finance and morale.

VIDYOTRON, Canadian cable TV operation, has identified "European investors" who will buy part of its 90 per cent interest in Southampton Cable of the UK.

US Transportation Department and a Congressional committee are looking into sales of stock in US airlines to foreign carriers.

RAND Mines of South Africa said higher costs and lower production led to a loss of \$7.7m in its four operating gold mines.

TURKISH tourism is flourishing due to a lack of demand for accommodation in holiday resorts.

ALUMINUM Company of America, world's largest aluminium producer, reported an increase in second quarter profits.

ISRAELI economic difficulties have worsened unemployment, which has reached 9 per cent of the workforce.

NCR, US computer maker, reported a small decline in second quarter income.

GREEK foreign exchange earnings dropped 30 per cent in first six months of 1989 following an import surge.

GENERAL Electric, US industrial, broadcasting and financial services conglomerate, reported strong earnings and revenues.

GIBORANK, UK Post Office's banking subsidiary in the process of being acquired by the Alliance and Leicester building society, has suffered an 8 per cent fall in profits.

LAWS International Holdings, Bermuda registered holding company for the Hong Kong-based Laws Fashion Knitwear, reported a 38.7 per cent drop in profits.

Bush backs moves to closer European integration

By Peter Riddell, US Editor, in Leiden

A STRONGER and more united Europe is good for the US, President George Bush argued yesterday in his most specific endorsement to date of moves towards closer European political and economic integration. Speaking in Leiden during the first visit to the Netherlands by a US President, Mr Bush highlighted the shift in US attitudes towards Europe. "This has been reflected both in positive support for the creation of the single European market in 1992 and in the decision at last weekend's seven

market and a more integrated European Community."

The link between EC integration and Eastern Europe was discussed yesterday by Mr Bush and Mr Rudi Lubbers, the Dutch Prime Minister. Mr Bush said the Paris summit brought the industrialised world "closer to a more co-ordinated and common approach across a wide spectrum of critical global issues. The key is concerted action."

He gave the examples of the environment, Third World debt and Eastern Europe. Mr Bush was warmly

received by several thousand people in both Leiden, where his speech was preceded by a Bach cantata, and The Hague.

He ends his 10 day European tour today and flies back to Washington.

After his two successful visits to Europe this summer, which have enhanced his international reputation, Mr Bush's focus will shift to a possible summit with Mikhail Gorbachev, the Soviet leader, either this winter or next spring.

Speaking in the 12th century Pieterskerk, a former church in the city where the Pilgrims

left in the Mayflower for America, Mr Bush drew a parallel between their quest and that of current reformers in Eastern Europe. He talked of "a widening circle of freedom."

"At the shipyards of Gdansk, and at the statue of the great Hungarian hero Kossuth, tens of thousands of people filled the streets - new voices, full of new hope."

"They were the faces of Pilgrims on a journey - fixed on Continued on Page 18

Soviet industrial strife spreads as death toll mounts in ethnic riots

By Quentin Peel in Moscow

THE Soviet miners' strike spread yesterday from Siberia to the Donetsk coalfield in the Ukraine, the highest coal mining area in the country, in a sharp escalation of the most serious industrial unrest since Mr Mikhail Gorbachev came to power.

Meanwhile in the strife-torn region of Abkhazia, in Soviet Georgia, mobs attacked police stations seizing up to 80 sub-machine guns and 100 pistols. Mr Vadim Bakatin, the Minister of the Interior, announced yesterday. He revealed grim new details about ethnic riots in Abkhazia which have left 14 dead and more than 120 in hospital over the weekend.

Mr Bakatin said Soviet holidaymakers had been stranded in their trains, and aircraft denied servicing at the Black Sea resort of Sukhumi, as Abkhazian and Georgian mobs set on one another.

The latest race riots have been sparked by the establishment of a Georgian language department of Tbilisi university in Sukhumi, capital of Abkhazia, whose ethnic minority population wants greater autonomy.

Georgians in turn are demanding greater autonomy from the rest of the Soviet Union and Georgian nationalist leaders suspect that the Abkhazian unrest has been deliberately provoked to counter their own demands.

Meanwhile, state television reported last night that miners in the mining centre of Malyktyevka, next to Donetsk, the regional capital, had come out in support of the miners in the

Kuzbass region of central Siberia. The miners are all demanding more independence from Moscow, drastic cuts in the government bureaucracy and better wages and living conditions in the coalfields.

The spread of the strike came as the Soviet leadership despatched a senior team to negotiate an end to the massive strike by Siberian miners, amid warnings of widespread closures of power stations and iron and steel plants because of a looming coal shortage.

Mr Nikolai Ryzhkov, the Soviet Premier, announced that Mr Nikolai Strukov, the ruling Politburo member responsible for the economy, and Mr Lev Voronin, a Deputy Prime Minister, had flown to the Kuznetsk coal field, where 110,000 miners and other industrial workers have now joined the stoppage.

His announcement came as it was confirmed that the min-

ers had set up a regional strike committee to negotiate, in a clear vote of no confidence in their trade union and other official bodies.

The combination of renewed racial clashes and the biggest industrial strike of recent years has presented Mr Gorbachev with a serious challenge at an acutely sensitive moment when he is also in the throes of trying to launch a purge of conservatives in the ruling Communist Party.

Official commentators have been at pains to stress that the strikers, in particular, are calling for faster, not slower reforms. However the strike committee had agreed to ship coal in instalments to the strikers' plants - primarily in the Urals - to alleviate the crisis.

The Soviet Prime Minister told the Supreme Soviet, the country's reformed standing parliament in Moscow, that the commission would "study all the issues to establish how the miners could be helped."

He admitted that many social problems had accumulated in the mining region, some of them "left unattended due to the inertia of the local authorities," Tass said. The general shortages of both food and consumer goods throughout the country "was also reflected in the events."

Trad, the trade union newspaper, estimated on Sunday that 1m tonnes of coal had already been lost in the dispute and estimated the cost to the economy at 20m roubles (\$32m).

Foundations begin to move, Page 2



Kuzbass region of central Siberia.

Taiwan tries to assuage fears on banking law

By John Elliott in Taipei

TAIWAN'S Government yesterday moved to defuse a possible stock exchange crisis and avoid social unrest by urging the country's troubled underground finance companies to legalise their operations.

The government's target is about 200 unauthorised finance companies which pay interest of up to 80 per cent or more a year in monthly instalments on illegal deposits, rumoured to total between US\$5bn and US\$6bn.

President Lee Teng-hui is expected this week to promulgate a new Banking Bill which clamps down on these companies, in addition to carrying out its primary purpose of opening up the banking industry to the private sector.

The Bill also enlarges the scope of business for foreign banks. Last week there were fears of a financial crash when the long-delayed Bill completed its parliamentary stages.

The local stock market nose-dived for a couple of days and the biggest underground finance companies responded to heavy runs on their funds by announcing that they were stopping the repayment of loans for up to three months.

The government has tried to calm the atmosphere by stressing that the companies can convert themselves into registered finance businesses, but only if they stop taking illegal deposits and treat investors as shareholders.

Some of the companies may have sufficient assets to repay their debts. The largest, Hung Yuan Holdings (also known as Homey), has announced a three-month suspension of

repayments but said its assets were NT\$300m (US\$1.1bn), far outstripping deposits which it said stood at NT\$55bn. It also declared NT\$30bn invested in equities.

The new Bill is controversial for two main reasons. First, senior members of the Government and the ruling Kuomintang Party are believed to be involved in the companies and are alleged to have slowed down the passage of the Bill for over a year.

Second, there are tens of thousands of investors whose savings are at risk and who are liable to blame the Government both for originally allowing the companies to grow and now for legislating against them.

It was widely assumed that the Government would not dare to implement the Bill before the end of the year when it has to face a general election. But Mr Lee Huan, who became Prime Minister in May, decided immediate action was needed because of the enormous size of the investments which were complicating government efforts to manage the economy and curb money supply growth.

The government's main problem is how to cope with Taiwan's mountains of cash, generated in the past few years by its dramatic success in export markets. Foreign reserves, excluding gold, exceed US\$76bn, and annual per capita income is just over US\$6,000. The value of the New Taiwan dollar has dropped from about 35 to 25-26 to the US dollar in less than three years.

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Paribas likely to link with Goldsmith in BAT bid

By George Graham in Paris, John Wyles in Rome and Nick Bunker in London

HOYLAKE, the investment vehicle led by Sir James Goldsmith, expects within the next 48 hours to announce the names of additional backers for its £13bn (\$20.5bn) takeover bid for BAT Industries, almost certainly including Banque Paribas, the French investment bank.

After two days of frantic speculation in London and Paris, Paribas disclosed late yesterday that it was holding "very advanced discussions" with Sir James about taking an equity investment in Bermuda-based Hoylake.

Neither Paribas nor Hoylake were prepared to comment further beyond saying that an announcement was expected within two days. But Pariban bankers close to Paribas said they expected it to contribute about \$50m to Hoylake's equity.

Talks between Sir James and Paribas executives appear to have been under way for some time. It is understood that last Tuesday, when Hoylake unveiled the bid for BAT, the tobacco-based multinational, analysts at the Paribas London securities subsidiary, Banque Paribas Capital Markets, were instructed not to discuss it with outsiders.

This was because of a potential involvement by the institution. Paribas has had banking relationships with Sir James in the past, especially in the US.

It is also thought that Pargesa, the Swiss-based investment group led by Mr Gerard Eskenazi, has struck a deal with Sir James which will give it an equity stake in Hoylake. Pargesa itself is 14.5 per cent owned by Paribas, a former state-owned bank which was privatised in 1987.

So far, Hoylake's current shareholders, including companies run by Sir James, Mr Jacob Rothschild, the merchant banker, and Mr Kerry Packer, the Australian investor, have committed \$22m of equity capital to Hoylake, but last week they said that they had also agreed in principle to subscribe up to another \$10m.

Speculation continued to focus yesterday on the possibility that Italy's Agnelli family might join Paribas and Pargesa as an equity investor in Hoylake, or as a buyer of some of BAT's businesses.

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Mandela reunited with friends brought from their prison cells

By Anthony Robinson in Johannesburg

MR NELSON MANDELA, leader of the African National Congress, has held an unprecedented reunion with five of his closest political friends brought from their cells to the veteran leader's prison bungalow.

It was revealed yesterday that the five men, all veterans of the 1964 Rivonia treason trial which led to life sentences for Mr Mandela and his co-conspirators, were taken from jail last Friday to Mr Mandela's bungalow in the grounds of the Victor Verster prison in Paarl, 30 miles from Cape Town.

The latest sequence of visits underlines the extraordinary change in the status of South Africa's most famous political prisoner since his unprecedented 45-minute meeting with President P.W. Botha two weeks ago.

Mr Elias Motsoaledi was taken from Robben Island prison to the mainland where he joined Mr Walter Sisulu, Mr Ahmed Kathrada, Mr Raymond Mhlaba and Mr Andrew Mah-

lengi for the trip to Paarl. The latter are all detained in Cape Town's Pollsmoor jail where Mr Mandela was also confined from 1982 until he was taken to a clinic for tuberculosis treatment a last year. He was then transferred from the clinic to Victor Verster.

According to Mr Omar Dulah, a Cape Town lawyer and long-time friend of the Mandela family, the five men were given new suits by the prison department before being taken to Paarl.

Mr Mandela, who is a prince of the Tembu ruling clan from the Xhosa-speaking Transkei, also entertained a four-man delegation of Tembu paramount chiefs last week.

After virtual isolation for more than a quarter of a century he has suddenly become the focal point both for speculation over future political power-sharing negotiations and a key figure in practical, day-to-day black politics.

Today, Mr Mandela, now a greying but fit 71-year-old patriarch, will entertain members of his closest family at a birthday party in his bungalow.

Apart from Mrs Winnie Mandela, the wife with whom he lived a clandestine existence before his arrest in 1962, Mr Mandela is also expected to host his daughter, Zindzi, and his son from his first marriage as well as several of his grandchildren.

Mr Mandela is also expected to receive his law degree at a separate ceremony shortly. Mr Mandela, a lawyer before his arrest, has taken a law degree by correspondence course from the University of South Africa.

These developments both underline the central political role of the banned African National Congress leader and helps prepare the ground for his eventual release.

Although ostensibly to celebrate the veteran leader's 71st birthday, the meeting will have provided an opportunity for the ANC's historic leaders to discuss key strategic issues.

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The report of Commission president Jacques Delors (left) outlined a gradual "transfer of decision-making power from member states to the Community as a whole...in monetary policy and macroeconomic management." Page 18

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Japan Socialists put 'Madonna strategy' to test in Nagasaki

Palestines Plight of 'permanent temporary' refugees continues

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MARKETS

Table with columns for Sterling, Dollar, Stock Indices, and Gold prices. Includes sub-sections for US LUNCHTIME and N SEA OIL (Argus).

Table of market indices including Europe, Americas, Companies, World Trade, Britain, and Euro-options.

Advertisement for Gresham Trust featuring the headline 'WE WON'T ASK YOU TO FLOAT BEFORE YOU CAN SWIM.' and details about venture capital services.

EUROPEAN NEWS

Moscow denies fire on submarine off Norway coast

By Karen Fossil in Oslo and Anthony McDermott in London

THE SOVIET Defence Minister, General Dmitry Yazov, yesterday denied reports that fire broke out on Sunday aboard a Soviet nuclear submarine in the Barents Sea. He told the Tass news agency that the submarine had been forced to surface because of a suspected reactor fault. Smoke that was spotted by a passing Norwegian ship had in fact been caused by diesel exhaust from auxiliary engines, Gen Yazov said. Norwegian officials said they remained alarmed about the frequency of incidents - three in less than four months - involving Soviet nuclear submarines in nearby waters. But these incidents need not harm Norwegian-Soviet relations if the Soviet Union was prepared to be rapid and open in telling Norway of their occurrence, according to Mr Tomas Ries, a defence specialist working in the Oslo-based Norwegian Institute for Defence Studies. Norway is drafting a proposal for an agreement with the Soviet Union which would provide for early notification of nuclear incidents at sea, and of

Foundations of Communist edifice begin to move

Quentin Peel assesses the implications of the strike by more than 100,000 coalminers in Siberia

IT IS THE moment Mr Mikhail Gorbachev must have been dreading. More than 100,000 Siberian coalminers, the very bedrock of the Socialist revolution, are on the streets demanding a new deal. For months the industrial temperature has been rising, above all in the mines. A dozen wildcat disputes have broken out across the country, from the giant Donbass coalfield in the Ukraine, to the bleak pits of the far north in Siberia. But they have involved hundreds, not thousands. Bus drivers went out in Archangel, Moldavia and Kirgizia; policemen in Leningrad; and air traffic controllers refused to pick up their wages in Moscow. Suddenly, an entire coalfield is on strike - the Kuzbass field (Kuzbass), second only to the Donbass in size and a vital supplier to the heavy industry of the Urals. Are they backing perestroika, or are they against it? Is this revolution, or counter-revolution? The answer is that nobody knows, but they are desperately trying to find out. On the face of it, the Kuzbass miners are demanding more reforms, not fewer. They want decentralisation of power, big cuts in the bureaucracy, and the right to control their own

destiny. But they also want dramatic improvements in their living standards, and that is just what perestroika has so far so signally failed to deliver. In one week the strike has spread from a single town - the five pits of Mezhdurechensk, at the south-east end of the field - to the entire field, in spite of a string of important concessions from the Soviet authorities. Mr Mikhail Shchadov, the Coal Industry Minister, flew to the spot within 24 hours of the start, but he has so far achieved nothing more than to talk himself literally hoarse before mass meetings of miners (and thousands of equally disgruntled industrial workers) in the Lenin Squares and Victory Squares of coal mining towns with bleak names like Novokuznetsk and Prokopyevsk. He has given them pay rises, promises of better holidays, more medical equipment, better food supplies. He has spent hours on the telephone back to Moscow looking for ways of giving more. He has been greeted with profound scepticism by a disillusioned proletariat. "Enough of your promises. Just tell us when. We demand a commission from Moscow," the miners shouted on Saturday when he reached Novoku-

netsk. They howled him down in fury when he claimed that the miners of Oskinniki had returned to work. "He's got his fingers crossed," was one disrespectful slogan which crept into the columns of the mighty Pravda, principal organ of the ruling Communist party. The truth is that all the national press have given the rebellious miners a thoroughly sympathetic hearing, against all the old tradition of either ignoring such disputes, or dismissing them as civil disobedience. The strike could hardly have happened at a more appropriate time. A draft law to give a legal basis for strikes was formally presented to the Supreme Soviet just last week. "Talking of a legal basis for strikes, we must recognise that they have become a fact of life," a leading academic lawyer wrote in Izvestia, the government newspaper. "It is not serious to argue that the law will stimulate strikes. The lack of law creates a condition for workers to react sporadically to unacceptable administrative situations" is, when the bureaucracy fails to react to them. Sovietskaya Rossiya, the Communist Party newspaper for the Russian federation, believes that the strike is backing perestroika. The miners want

more control over their own destiny: "Isn't that the essence of perestroika? Until now, perestroika was a revolution from above. Now it is getting powerful support from underneath." The trouble is that it could wreak more havoc in an already deeply ailing economy. "It is a pity that objectively it gives a negative result for the economy," the paper declared. "But can the workers be blamed for that? People who ignored these workers' demands... these people are guilty." Yet the speed with which the strike spread, and the refusal of the miners to accept a string of concessions, is a fact that the miners have set up their own strike committee for the region is a vote of no confidence in all the traditional Soviet institutions. The strike has brought to the surface details of the miserable conditions both in Siberia in general, and in the mines in particular. For a start, the industry's safety record is abysmal, with 10,000 deaths in mine accidents over nine years, according to Komsomolskaya Pravda. The Kuzbass lost 153 lives last year alone. Another shocking detail was that there was no milk on sale throughout

the region. An important demand of the miners is to invest in local agriculture so that they can be sure of food supplies. The other ominous factor for the Soviet leadership is that basically economic demands very rapidly became political. The miners are calling for a new constitution, for the Congress of Deputies, and - according to at least one report - for that assembly to act to curb the power of the Communist Party central committee. On the other hand, all the official press insists that the miners are rejecting more extreme political demands, shouting down a speaker from the banned Democratic Union, which wants a multi-party democracy. But the very fact that he was allowed to speak is revealing. Mr Gorbachev has sent a high-powered team to the area to take over from Mr Shchadov. If he has his way, he will turn the demands of the miners into more pressure for faster reforms, more decentralisation, and less bureaucracy. If he plays it wrong, then the strike could very easily spread, raising both economic and political demands which he is simply not ready to satisfy, and keep under control.

Spending on environment projects falls sharply

By David Goodhart in Bonn

PUBLIC and private spending on environmental protection in the 10 major western industrial countries between 1980 and 1988 has failed to rise in line with economic growth, and spending is actually falling sharply in most of the countries as a percentage of gross national product (GNP) since 1975, according to a report from the Institute of German Economy in Cologne. Only the Netherlands has raised expenditure faster than the level of economic growth and markedly increased environmental spending as a proportion of GNP from 1 per cent in 1975 to 1.34 per cent in 1988 - the highest of the 10. Most of the rest have allowed spending on the environment to fall from well over 1 per cent of GNP to well under. Japan's spending has fallen most spectacularly, from 1.6 per cent of GNP in 1975 to 0.7 per cent in 1988. The UK has dropped from 1.5 per cent to 0.74 per cent over the same period. Only the Netherlands, Canada and West Germany remain over 1 per cent. Total spending on the environment by the 10 in 1988 came to DM17bn - representing 0.7 per cent of their collective GNPs - of which the US spoke for 40 per cent, Japan 19 per cent and West Germany 13 per cent.

Greek foreign reserves fall 30% in six months

By a Correspondent in Athens

THE NEW Greek Government has learned that the country's foreign exchange reserves dropped by 30 per cent in the first six months of the year following an import surge encouraged by expectations of a heavy devaluation of the drachma. However, Mr George Sofilas, the Economy Minister, has flatly ruled out any devaluation before the next election, expected in October. In an interview, he confirmed that the budget deficit was heading for a record 22 per cent of gross domestic product - more than Dr1,900bn (\$11.5bn) - this year because of a sharp pre-election increase in spending by the former Socialist (Pasek) Government headed by Mr Andreas Papandreu. Another contributory factor, he said, has been a delay in collecting taxes. Details of the \$1.08bn fall in foreign exchange reserves to \$2.09bn were contained in a Bank of Greece report on the state of the economy which was specially prepared for the

Solidarity hearing for Jaruzelski

By Christopher Bobinski in Warsaw

SOLIDARITY'S parliamentary deputies yesterday gave a hearing to General Wojciech Jaruzelski, the Polish Communist Party leader, who is expected finally to declare his candidature for the post of President in an election which will be held tomorrow. The Deputies and Senators meeting behind closed doors in the Parliament building received the general in silence when he came in, then heard him speak for over 90 minutes to answer prepared questions from the group. The general has already been through similar meetings with the official Communist-allied parties in parliament and will meet today with the Communist Party Deputies after a Politburo meeting in the morning which is expected formally to approve his candidature.

Belgium bridles as Austria applies to join the EC

By David Buchan in Brussels

AUSTRIA YESTERDAY finally applied to join the European Community and promptly threw the Twelve into some disarray on a formal response to Vienna's accompanying insistence on staying neutral forever. Belgium, fearful that neutral Austria would slow movement towards eventual European political union, effectively blocked a short EC advisory judgement of the application letter handed over earlier in the day by Mr Alois Mock, the Austrian Foreign Minister. At their meeting here yesterday, 11 EC foreign ministers were ready to reply to Vienna that they "looked out" of Austria's request to maintain permanent neutrality, laid down in the country's 1955 constitutional law, but would send the membership application straight on to the European Commission for its opinion in the usual way. But Mr Marc Eyskens, the Belgian minister, said he could not immediately agree to the Commission being asked to start a study of the Austrian



Austria's Foreign Minister Alois Mock (right) hands application documents to his French counterpart, Roland Dumas

entry bid, and by a technicality his dissent was enough to block even a simple acknowledgement of yesterday's long-awaited move by Austria. The dispute is almost certain to be smoothed out this week among diplomats of the Twelve. But it epitomises the problems raised by the fact that for the first time an applicant has made maintenance of neutrality an explicit condition of its entry into the EC. Ireland never made an issue of its neutrality when it joined in 1973. Belgium's enthusiasm for political union has made it the EC state which is the most sceptical of Austrian claims that its neutrality is compatible with the political and foreign policy obligations of Community membership. Mr Mock repeated these claims yesterday at a news conference, arguing that nothing in EC membership would jeopardise the two essentials of Austrian neutrality: that the country could not join a military alliance or have foreign military bases on its soil. "All the aims and perspectives with regard to political union are acceptable to us," he said. He acknowledged that the Soviet Union, a signatory of the 1955 Austrian state treaty, had criticised the membership bid, but said that in talks last autumn with Mr Eduard Shevardnadze, the Soviet Foreign Minister, the two sides had

agreed, in the overall context of their good relations, to disagree on this issue. Vienna would have been able to back EC participation in the 1982 sanctions against Moscow over martial law in Poland, "just as it was possible to accept United Nations sanctions" against other countries, Mr Mock also claimed. EC reaction to the bid cuts across traditional federalist/anti-federalist lines. Italy, while in the van of those calling for eventual European union, is publicly well-disposed to admitting one of its neighbours. On the other hand, Britain and France are both concerned that Austria's entry, on Austrian terms, could foreclose the option of the Community one day developing a security dimension. Mr Mock yesterday stressed that Austria would be a net contributor to the EC budget, and that he did not expect entry negotiations to start "at the earliest, until completion of the internal market" by the end of 1992.

France sets target date for merger rules

By William Dawkins in Brussels

FRANCE WILL today call on EC member states to reach agreement by the end of the year on some of the most ambitious proposals left outstanding in the Commission's plan for a free single market. Mrs Edith Cresson, the country's European Affairs Minister, will tell the first Internal Market Council under the sixth-month French EC presidency that Paris wants adoption of controversial plans for a Community-wide merger control system by Christmas. She wants an outline accord on separate plans to extend rules on open public procurement to the sensitive sectors of telecommunications, energy, transport and water, one of the most important public purchasing measures in the internal market project. Supplies and works contracts from these sectors - now excluded

from free competition - represent almost 15 per cent of the EC's gross domestic product. Also on Mrs Cresson's internal market shopping list is a European Commission proposal for common copyright protection for software, to combat the growing problem of computer piracy. EC officials say France has a reasonable chance of getting at least near an agreement on these three proposals before its presidency passes to Ireland at the end of the year. Trade and industry ministers are not expected to conclude any accords at today's meeting. Paris has already set a committee of national officials to work resolving the mass of detailed problems impeding the unanimous agreement needed for the proposed EC merger control regulation, still viewed with deep suspicion by the UK

and West German anti-trust authorities. This is the toughest target on the French agenda, since EC merger control has been the subject of troubled debate on and off for 16 years. The plan would allow the Commission to vet in advance potentially anti-competitive cross-border mergers with combined world turnovers of more than Ecu5bn (\$3.4bn), among other criteria. The French Government - as opposed to the EC presidency - wants industrial policy criteria to be used in deciding on the desirability of mergers, while Spain and Italy would like to see regional development taken into account. Britain and West Germany, meanwhile, think pure competition criteria only should be applied. Member states have also yet to agree on

the turnover threshold. Ministers will have their first opportunity today to react to the Commission's recent proposal for a European company statute. This would allow cross-border mergers to incorporate under EC law, rather than having to choose between different member states' company laws. While optional, companies using the EC statute would have to adopt one of three models of worker participation, an idea likely to be greeted sceptically by Britain, which believes workers' rights are no matter for EC law. Other internal market measures for discussion - but not decision - today include plans for a single EC patent, currently held up by Ireland and Denmark, and proposals to guarantee the rights of students and pensioners to live in other member states.

Big rise in labour emigration discounted

By David Goodhart in Bonn

THE FURTHER easing of restrictions on labour mobility within the European Community accompanying the 1992 Single Market project is not expected to lead to a sharp increase in labour emigration, according to a report by the West German Federal Labour Office. Formal barriers to movement within the EC were abolished in 1988 but several obsta-

cles have remained, such as limited cross-border qualification recognition, which 1992 will sweep away. This has given rise to fears of an immigration surge into richer EC countries. However, the Federal Labour Office report points out that as wage levels and growth levels within the EC gradually draw closer the motivation for emigration is reducing. This seems to be supported by figures which show that between 1977 and 1987 the number of full time workers in West Germany from other EC countries fell from 790,368 to 492,126 while the total number of foreign workers fell only from 1.9m to 1.6m. The only two EC countries which stood out against this trend were Britain and Ireland. The number of Britons work-

ing in West Germany between 1977 and 1987 increased from 25,000 to 32,000 and the number of Irish from 1,170 to 1,500. The report says that higher mobility might be expected after 1992 in certain fields of technology and among managers as large companies seek to become more European. It also expects a sharp increase in cross-border commuting in border areas.

Without Dutch support in the early stages of the American Revolution, it might have failed, according to the historian Barbara Tuchman. The Hague, in effect, recognised US sovereignty in November 1776 when the Dutch governor of the Caribbean island St Eustatius ordered a salute to the "Andrew Doria," a ship in the Continental Congress Navy. Later, John Adams, the US Ambassador in The Hague and second US President, lobbied for official recognition. Today the Netherlands is the second largest foreign investor in the US after Britain, with \$100bn (\$20bn) of assets, and the US is the biggest investor in The Netherlands with \$10bn assets. Given this rich history, the Dutch are puzzled, and a little hurt, that a US president has never bothered to visit before.

Bush beats the trail of great aunt Abigail

Laura Raun in The Hague traces the roots of US-Dutch relations

MR GEORGE BUSH discovered his roots in the Netherlands yesterday. The US President found out that his great great Aunt Abigail was one of the "Pilgrim Mothers" who sailed to America from Leiden in the 1620s. This little gem of genealogical history helped set the tone for a visit that paid tribute to the Dutch while capping the President's European tour. Mr Bush was the first US President to visit the Netherlands in more than 200 years of steadfast relations. The Netherlands arguably was the first country to recognise the sovereignty of the United States of America in 1776. But it is the last Western European country save Luxembourg and Denmark to be graced with a presidential visit.

Compared with the French flamboyance and Eastern European drama of last week, the Dutch visit was a picture of Calvinistic sobriety. Mr Bush delivered his speech in a spare Dutch Reformed church, he and the First Lady lodged in the modest Palace Noorddeinde and a "working lunch" was served instead of the gastronomic masterpieces of Paris. Moreover, the President encountered a caretaker government unable to conduct serious business. The Christian Democrat-Liberal coalition of Prime Minister Ruud Lubbers collapsed in May, and early elections will be held on September 6. The President's lightning visit, which ends today is largely a symbolic gesture to an ally whose loyalty has sometimes been taken for

granted. The Hague has occasionally irked Washington, notably in its rebellious refusal to deploy medium range nuclear missiles several years ago. Now the Dutch are leaning closer to Washington than at any time in the recent past. Yesterday Mr Bush alluded to their constructive role in the recent Nato compromise on short range nuclear weapons. The White House undoubtedly hopes to chalk up another notch in its public relations contest against Mr Mikhail Gorbachev. But the empty streets of The Hague and several thousand Dutchmen in Leiden were hardly an effusive audience compared to the emotional throngs in Poland and Hungary. Until last week, no radicals had protested against the Bush visit, a sure sign of Dutch apa-

thy. But then red paint was drenched on the Pieterskerk, where he spoke yesterday, and a few anti-American banners were unfurled in Leiden. It was early in the 17th century that relations between the Netherlands and the US began, when English Puritans - like Mr Bush's ancestors - sought refuge in Leiden before setting sail for the New World. Pieter Minuit, a director-general of Holland's West India Company, bought Manhattan from the local Indians for around 60 guilders. Known historically as acute traders the Dutch later made the worst deals in their history - swapping Manhattan for Surinam in 1667, giving New York to the English. Eager for profitable trade, the Dutch sold arms to the American colonists in violation of a defence alliance with England.

Without Dutch support in the early stages of the American Revolution, it might have failed, according to the historian Barbara Tuchman. The Hague, in effect, recognised US sovereignty in November 1776 when the Dutch governor of the Caribbean island St Eustatius ordered a salute to the "Andrew Doria," a ship in the Continental Congress Navy. Later, John Adams, the US Ambassador in The Hague and second US President, lobbied for official recognition. Today the Netherlands is the second largest foreign investor in the US after Britain, with \$100bn (\$20bn) of assets, and the US is the biggest investor in The Netherlands with \$10bn assets. Given this rich history, the Dutch are puzzled, and a little hurt, that a US president has never bothered to visit before.

Bulgaria admits exodus has left it short of labour

By Judy Dempsey in Vienna

THE BULGARIAN authorities, facing a sudden shortage of labour because of the exodus of more than 120,000 ethnic Turks, say they have recruited students and schoolchildren to bring in the harvest. Mr Georgi Menov, the Agriculture Minister, told the party daily Rabotnichesko Delo that workers and pensioners had also been recruited into the "new organisation in vegetable and fruit gathering". As Mr Menov diplomatically implied, extra hands were needed because of "the difficul-

ties which have arisen from the insufficiency of manpower in certain areas. A stream of refugees has poured over the border into Turkey - under varying degrees of duress - since the Sofia Government, in a sudden reversal of policy, started issuing its ethnic Turkish citizens with passports, and deported many of them. Mr Menov admitted that workers in some enterprises now had to work longer hours, including weekends, and that this could lead to discontent.

Civil rights petitioners blacklisted by Prague

By Leslie Collett in Prague

THE CZECHOSLOVAK authorities are blacklisting leading artistic performers who were among more than 7,000 people supporting a petition calling for civil rights and religious freedoms, according to opposition sources. They claim that a list of more than 80 names was circulated to the official media with instructions that they should not be quoted or allowed to appear on radio, television, stage or film. Among those who signed the petition were actor Jiri Bartoska, pop singer Hana Zagorova, and Martin Kratochvil, a jazz musician. The petition demands the rights of assembly and association and the ending of censorship. It also calls for political prisoners to be freed, and an open discussion of the crushing of the reformist "Prague Spring" in 1968. Czechoslovak television last Friday showed a documentary purporting to show connections between the Charter 77 human rights organisation, and terrorists accused of setting fire to industrial installations. The authorities earlier accused the authors of the document of attempting to overthrow the Communist system and warned them against "playing with fire". Mr Vaclav Havel, the playwright and an organiser of the appeal, has been warned by the police he was violating the conditions of his parole (he was released in May having served half of an eight-month jail sentence for taking part in demonstrations in Prague).

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AMERICAN NEWS

Democratic fund-raisers 'find Jackson a liability'

LEADING fund-raisers are boycotting the Democratic Party's efforts to raise money because of the party's ties to the Rev Jesse Jackson, according to Mr Ronald Brown, the Democratic national committee chairman, writes Lionel Barber in Washington.

Mr Brown - who worked as a top Jackson adviser during last year's presidential campaign and is the first black chairman of the party - brushed aside criticism about his own performance and liberal reputation.

Democratic spending has risen to \$4m, forcing the party to draw on reserves left by Mr Paul Kirk, the previous chairman. By contrast, the Republican national committee has raised \$11.8m and is trying hard to build an organisation appealing to younger voters and upwardly mobile minorities.

Last year, for the first time in many campaigns, the Democrats found themselves matching dollar for dollar, the fund-raising of then-Vice President George Bush. Fund-raisers are bitter that Mr Dukakis failed to win and are reportedly leery of the party's financial plan, which calls for raising \$100m through 1992.

Mr Brown's difficulties may reflect the same scepticism voiced about Mr Kirk when he took over as party chairman after the 1984 presidential defeat of Mr Walter Mondale. Mr Kirk, a former top aide to Senator Edward Kennedy, was judged too liberal for the job but by 1985 he was viewed as a centrist who won over most of the conservative southern Democrats.



First flight for Stealth

THE world's most expensive aircraft, above, made its maiden flight yesterday, writes Our Foreign Staff. The two-hour spin will help to decide if funding for the B-2 Stealth bomber - each costs \$500m (\$200m) - continues.

The project has taken eight years and consumed \$22bn and its total cost may be three times that figure. Congress has suspended funding until the aircraft proves its worth in tests.

The B2 is designed to evade and confuse enemy radar, with a mixture of new materials, complex shapes and hidden exhausts. Ironically, on its maiden flight, it was equipped with reflective material to allow test personnel to keep track of the aircraft and its two pilots. The flight had been scheduled for last Saturday but it was aborted by a low fuel pressure gauge reading.

US manufacturers fail to halt fall in demand for cars

By Kevin Done, Motor Industry Correspondent

US new car sales fell 7.2 per cent in the first half of the year to 5.13m despite intensive attempts by US car makers to bolster sales with widespread discounting and dealer incentives.

The decline in new car demand in the US contrasts sharply with West Europe and Japan, where new car sales are still running at a record level.

The big three US car makers, General Motors, Ford and Chrysler, have been forced to cut production plans, with output still running ahead of demand. All three have been forced to resort to temporary plant closures and extended summer shut-downs.

Despite the drop in demand, US car production in the first six months of the year was 2.4 per cent higher than a year ago at 3.83m.

GM, Ford and Chrysler are also hit by the impact of rapidly rising output from the so-called Japanese "transplants", the assembly plants established by Japanese car makers in the US.

Sales of Japanese makes - imports and transplants - rose 6 per cent in contrast with the 7.2 per cent drop in overall car sales, as Japanese car makers sharply increased their share of the total market to 24.3 per cent from 21.3 per cent a year ago.

US car sales in 1989 could fall below 10m units for the first time in six years, a sharp fall from the peak of 11.46m in 1986 and the 10.59m achieved last year.

Forecasts for the combined car and light truck market suggest a drop in sales to 14.7-15m from 15.4m in 1988. GM, Ford and Chrysler all suffered a fall in volume sales in the first six months compared with a year ago, with GM car sales dropping by 10.4 per cent.

Ford out-performed its domestic rivals, however, increasing its share of the reduced market to 22.6 per cent from 21.6 per cent a year ago, reflecting a fall of only 3.8 per cent in sales volume.

GM has failed to arrest its declining share of the market despite model launches, and captured only 35.8 per cent of US car sales in the first half of 1989 compared with 37.1 per cent a year ago.

By contrast, most of the leading Japanese car makers increased their sales volumes, led by Nissan, the second biggest Japanese automotive group. Nissan increased sales by 10.5 per cent in the first six months.

European car-makers are still facing an uphill struggle, as US demand for luxury imported cars continues to weaken. European producers such as Mercedes-Benz, BMW and Jaguar will face additional fierce competition in the autumn, when both Toyota and Nissan launch their new Lexus and Infiniti luxury car ranges in the US.

Kennedy, 20 years on: effective but still accursed

ON A warm Sunday evening, 20 years ago today, Senator Edward Kennedy and his 28-year-old woman companion, Mary Jo Kopechne, drove at speed over a hump-back bridge near Chappaquiddick, Massachusetts.

The affair, in fact, was testimony to the wisdom of F Scott Fitzgerald's observation: "Let me tell you about the very rich; they are very different from you and me."

Kennedy dynasty's power and influence. Joseph Kennedy's millions bankrolled Boston politicians and gave him an entrée to Franklin Roosevelt; it allowed his son, Jack, to contemplate a successful run for the presidency aged 43; and it imbued his youngest son, Teddy, with a reckless sense and arrogance which culminated in Chappaquiddick.

For a whole week after the accident, the world waited for a statement from Teddy Kennedy. In that time, the best lawyers in Massachusetts were flown in to the family home in Hyannis: Robert McNamara, the Ford executive who became US Defense Secretary and the lead prosecutor of the Vietnam war; Richard Goodwin, President Lyndon Johnson's high-powered strategist; Ted Soranson, JFK's glided wordsmith, who forged the less than heroic public defence for Teddy which rested on the rhetorical question: Is there "some awful curse overhanging the Kennedys?"

accident at Dike Bridge. (A new book, Senatorial Privilege, claims, on the basis of an interview with Kennedy's cousin, that the senator mused aloud about making Kopechne the driver and sole passenger of the car, and swimming over to Edgartown to construct his alibi). Yet the senator has managed, despite the disgrace of 1969 and the defeat in the presidential campaign of 1980, to salvage something of a national political reputation.

Kennedy survived, but his passenger died. It took 10 hours for the senior senator from Massachusetts to report the accident; and it took four months for the authorities to hold an inquest. When it opened, the press and public were barred. A supposedly tamper-proof grand jury, acting on the prosecutors' direction, was unable to subpoena witnesses or to review a record of the inquest.

Lionel Barber charts the career of the Massachusetts senator since Chappaquiddick

Edward Kennedy, says an acquaintance, is the kind of guy who enters a room, throws off his jacket and knows there will always be someone there to catch it. He has always declined to publish his net worth, saying it is too wrapped up with the family fortune.

The rich man has become the poor man's advocate. As chairman of the Labour and Human Resources committee, Kennedy has pushed legislation which has helped working people (including the re-training bill he shaped successfully with then-Senator Dan Quayle of Indiana). He has pushed child nutrition, plant-closing notification, and national health insurance. And he has mastered, with the help of first-class staff, detail of such diverse measures as immigration reform, as well as criminal code revision and airline deregulation. Only last week, a Kennedy-sponsored bill aimed at enticing skilled immigrants to the US passed the Senate by an overwhelming majority.

Much has been written about Senator Kennedy's refusal in 1964 and 1968 to run for the presidency. Some said at the time that his decisions came as a shock to Democrats looking for a national figure to challenge Ronald Reagan and George Bush. The truth is that after his defeat, in 1960, at the hands of a weak incumbent Jimmy Carter, Kennedy knew he was a busted flush. He still may mumble about presidential ambitions but, in the last resort, he knows that his conduct 20 years ago deprived him of the greatest prize, the presidency - and with it, the restoration of the Kennedy dynasty.



Kennedy: poor man's advocate

Argentina set for prices deal

By Gary Mead in Buenos Aires

ARGENTINA'S government was last night due to sign a price freeze agreement with representatives of about 300 big companies, as part of an attempt to halt inflation rising at more than 200 per cent a month.

The agreement has been the subject of fierce debate in both President Carlos Menem's Peronist administration and the industrial sector. Mr Miguel Roig, the new government's first Economy Minister (who died last Friday after less than one week in his post), had hoped to achieve a retroactive price accord with the so-called "price-forming" companies, which would lower prices and fix them at their July 3 level.

However, Mr Nestor Rapanelli, who took over as Minister last Saturday, has announced that the agreement, intended to last three months, will fix prices at their July 15 level. Between July 3 and 15 prices of many consumer food items doubled and in some cases tripled. That has given rise to wage demands an immediate 200 per cent and more from the bigger private sector trade unions.

In return for the industrial sector's undertaking not to increase prices, the Government has given an assurance that it will adjust exchange rate policy or increase public sector tariffs, and that it will hold interest rates to relatively low levels.

Mr Jorge Triaca, Labour Minister, has said that while no wage increase ceiling is to be fixed for the round of settlements to be agreed by the end of July, agreements must last the same three-month period as the price freeze, up to the end of September.

Fresh setback for Brazil's fuel programme

Brazil's embattled alcohol fuel programme has suffered another big setback in a confidential World Bank report to the Government that proposes the rapid winding down of production, writes Ivo Dawany in Rio de Janeiro.

According to leaks of the Bank's working party on subsidies and taxes, the Proalcool scheme cost consumers an estimated \$1.2bn (£700m) last year.

The price in hidden subsidies including those aimed at making the fuel competitive with petrol products.

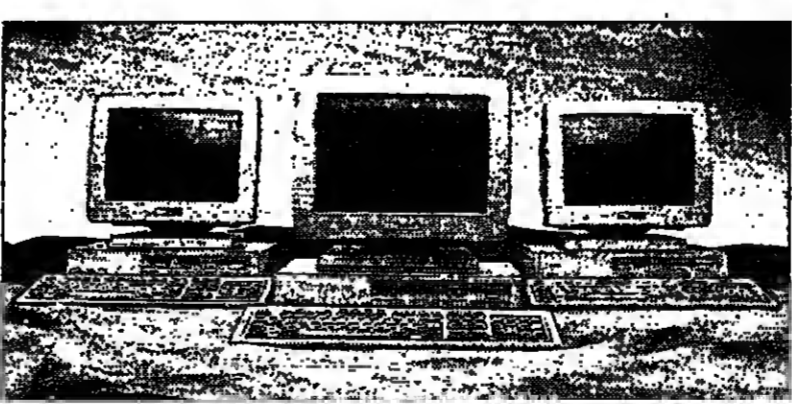
The World Bank report, submitted to the Planning and Finance ministries last week, is a preliminary evaluation of changes needed to adjust the Brazilian economy in the light of high inflation rates and a budget deficit which some fear may top 7 per cent of Gross Domestic Product this year.

The report is also understood to recommend an end to other subsidies, tax changes and efforts to liberalise trade.

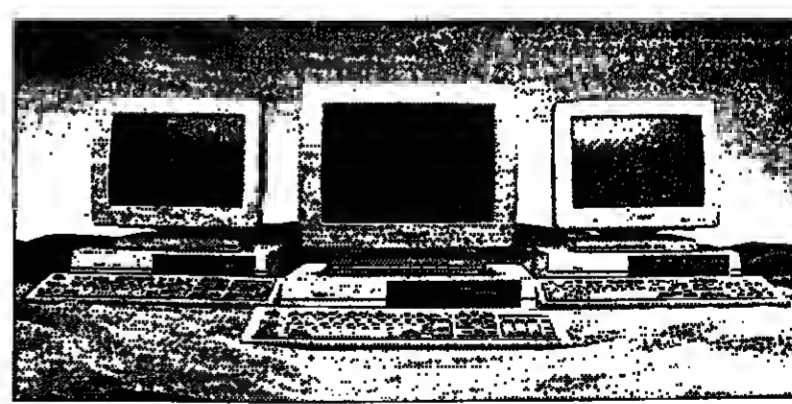
Table with 4 columns: Category, Volume (Units), Volume Change (%), Share (Jan-Jun 89), Share (Jan-Jun 88). Rows include TOTAL MARKET, Imports, Japanese makes, US-built, and various manufacturers like Ford, Chrysler, Honda, etc.

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WORLD TRADE NEWS

Concern at foreign control of US airlines

THE US Transportation Department and a congressional committee are looking into the increasing sales of stock in US airlines to foreign carriers...

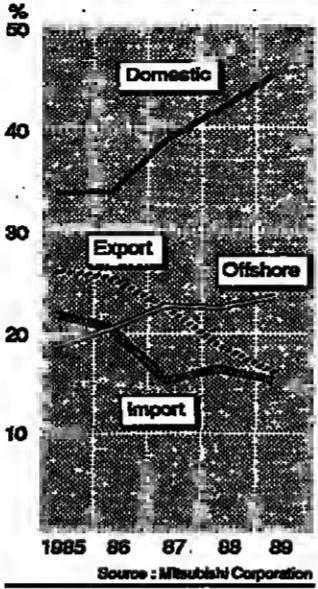
Japan trading groups face new challenge

Push is on for offshore business involving third countries, Peter Montagnon writes

ONE OF the proudest current boasts of Japanese policy makers is the way in which they have managed to wrench their economy round to a position where it is more dependent for growth on domestic demand than on exports...

tionally dedicated to large wholesale dealing. It means taking a fresh look at the product mix, adding more consumer and high technology goods and services...

Trading volume of the leading Sogo Shosha



Source: Mitsubishi Corporation

What has proved to be a fundamental shift in the direction of Japanese export policy has been welcomed elsewhere as an essential ingredient in any scheme for curbing the country's huge trade surplus

"We are in an excellent position to know the legal system in each country, we have a language capability, and we have a lot of accumulated experience..."

Turkish hotels forced to cut tariffs

TURKISH tourism, well into the vital summer season, is floundering under an over-supply of accommodation in the general downturn for Mediterranean and Aegean resorts...



THE TRAPDOOR Programmers often build a 'trapdoor' into software to allow users to get round normal system security procedures...

Sharp fall in EC telecom surplus

THE European Community suffered a sharp deterioration in its trade surplus in telecommunications products last year, largely due to the boom in imports of facsimile machines from Japan...

Points from the Annual Statement by the Chairman of the Anglo American Corporation, Mr Gavin Relly

ANGLO AMERICAN IS HELPING TO RESHAPE THE ECONOMIC GEOGRAPHY OF SOUTH AFRICA

- Racial discrimination is not only morally indefensible, it also puts a brake on prosperity for all South Africans. We continue to urge the abolition of all legislation which denies a man's right to a lifestyle he can afford...

Govan wins liquid gas carrier deal

NORWAY'S Kvaerner Shipping, a member of the Kvaerner industrial group, has contracted the Govan yard of Scotland to build a 50,000 cubic metre liquefied petroleum gas carrier...

Sale of missile device to India banned by Bush

THE BUSH Administration has decided to ban the sale to India of an advanced device which it fears could be used to develop ballistic missiles...

NATIONAL BANK OF CANADA US\$ 50,000,000 Floating Rate Deposit Notes due July 1991

HYOSUNG (AMERICA), INC. US\$ 50,000,000 Guaranteed Floating Rate Notes due 1991

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**SMOOTH TORQUE
FROM BMW.**

**SMOOTH TALK
FROM THE PRESS.**

"The heart of the 525i is BMW's beautifully free-revving 2494cc six...."
AUTOCAR, 20 JANUARY 1988.

"The straight six is super smooth, responds quickly and willingly to throttle commands and revs easily up to its 6,400 rpm redline."
WHAT CAR?, AUGUST 1988.

"Performance is spirited rather than fierce, delivery intoxicatingly smooth and unfussed."
FAST LANE, NOVEMBER 1988.

"The engine....will pull from 10 mph in top without complaint. It's equally responsive at the top end - revving right up to the....redline with no trace of harshness."
AUTOCAR, 10 AUGUST 1988.

"An engine of a....silken nature."
MOTOR, 13 AUGUST 1988.

"This car....feels as if it has been built by enthusiasts with enthusiastic drivers in mind."
WHAT CAR?, AUGUST 1988.

"It has all the style, comfort and refinement of an executive express but with a superb mix of performance, handling and roadholding that will appeal so much to the enthusiastic driver."
MOTOR, 30 JANUARY 1988.

"It is a machine that begs to be driven...."
WHAT CAR?, AUGUST 1988.



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UK NEWS — EMPLOYMENT

Continental dockers pledge support

By Charles Leadbeater, and Jimmy Burns

DOCKERS' leaders from the main Continental ports yesterday pledged to urge their 38,000 members to support the British national docks strike by refusing to handle cargo diverted from strike-bound UK ports.

Union officials from Belgium, the Netherlands and West Germany made the pledge after meeting leaders of the Transport and General Workers Union in London. French dockers' leaders, who were unable to attend the meeting, also said they would urge their members to take solidarity action over the TGWU's claim for a national agreement to replace the statutory National Dock Labour Scheme.

The officials said they would ask their members not to handle cargo from ships diverted to, or from, UK ports formerly covered by the scheme where dockers are still at work.

The unions will also warn

port employers that they risk harming industrial relations if they attempt to take advantage of the strike by picking up extra trade.

None of the union officials said they would be able to guarantee total support for the boycott, but they were confident of considerable solidarity action.

Officials of the International Transport Workers Federation, which convened the meeting, said they expected support would be less than 100 per cent but would be extensive enough to make shipowners and shippers think twice before attempting to divert cargoes.

Mr Kees Marges, an official of the Dutch transport workers union, the FNV, and leader of 10,000 Rotterdam dockers said his members would assess ships on a case-by-case basis.

Mr Manfred Rosenberg, secretary of the dockers section of the West German transport and public services union, OTV, said his members would not want to take part in strike-breaking activities, even though there were complex legal constraints governing solidarity action.

Meanwhile in London, officials of Britain's National Association of Port Employers dismissed offers of support from other European trade union as words which would have little practical effect on the docks dispute.

They claimed that domestic support for the dispute was continuing to dissipate, with 1,250 dockers working normally in 23 out of the 60 ports which were registered under the scheme.

The number of dockers who have accepted redundancy under the Government's compensation scheme is now put at 1,850.

Specialist civil servants offered rise worth 8.7%

By Michael Smith, Labour Staff

THE TREASURY has offered specialist civil servants a pay deal which will add 8.7 per cent this year to the group's salary bill. The proposed settlement is the first in the civil service for several years to be constrained by comparison with the private sector.

About 70 per cent of the 52,000 members of the Institution of Professional Civil Servants covered by the deal will receive 6.5 per cent, the Treasury said yesterday. About 1.4 per cent points of the 8.7 per cent rise resulted from job scale readjustments agreed last year, it said.

The IPCS executive is to recommend acceptance when the deal is put to a ballot of membership. Mr Bill Brett, general secretary, said the leadership could not host about the agreement, but it was a reasonable deal.

Under a long term pay agreement made with the Treasury two years ago, both sides agreed to be constrained from this year by comparison with the inter-quartile (middle 50 per cent) range of outside pay movements, as established by a survey by the Office of Manpower Economics.

Mr Brett said the survey this year had shown the inter-quartile to be between 6 and 8.9 per cent. The union had claimed 7.65 per cent and the deal worked out at 7.3 per cent if the amount resulting from last year's agreement was excluded.

Mr Brett said that some lower paid members would receive rises of up to 19 per cent.

The Treasury pointed to the targeting of high pay rises to staff in areas of skill shortages. Under the deal, which would be implemented from August 1, there will be selective increases of up to 15 per cent for certain groups - including architects, surveyors, civil engineers and electronics and telecommunications specialists - in the London area.

About 10 per cent of the staff covered by the deal would qualify for extra payments earmarked for workers in short supply, the Treasury said.

A canny Scot who managed to outwit British Rail

Jimmy Burns looks at how the enigmatic rail union leader Knapp handled the dispute

At the outset of the rail dispute, when things looked as if they might just go British Rail and the Government's way, it seemed just possible that Mr Jimmy Knapp could fall victim to caricature.

With his gangly, avuncular looks, he walks and looks rather older than his 49 years, his growly Scots accent (incomprehensible to most commuters south of the border watching TV), and his often ungrammatical delivery of phrases, Mr Knapp seemed to fall somewhere between a dinosaur and a demon ripe for the picking in an age all too accustomed to image making.

And yet if Mr Knapp has always managed to make himself accessible to journalists, the events of the last month have demonstrated that there is more to winning or losing disputes than media hype.

If Mr Knapp can with some justification claim the outcome of the dispute as a personal triumph, it is because he has outmanoeuvred BR virtually all the way down the line with his own particular brand of Scottish canniness.

Since easily winning his election to general secretaryship on an ostensibly left-wing ticket in 1983, Mr Knapp has not always been on the winning side. In 1985, his Tube drivers called off an indefinite strike he had called without a ballot after only one day. Two months later, he decided to hold a ballot only to be humiliated by his BR members voting against a strike on the issue of driver-only train operation.

And yet one of Mr Knapp's strengths has always been to have sufficient pragmatism to learn from his mistakes and to listen to what his members have to tell him.

The rail dispute has shown his predecessor Mr Sid Weighell's description of Mr Knapp as "wet behind the ears, a stooge of the Communist and Trotskyist left" as being well off-beam.

Mr Knapp is not, nor has ever been another Mr Arthur Scargill, the left-wing leader of the National Union of Mineworkers. He has learnt to interpret his leadership as the



Jimmy Knapp: more to winning than media hype

achievement of a consensus for action, not as the fount of militancy with the membership and the rest of the trade union movement expected to follow.

Discontent among BR staff over pay and national bargaining issues had been rumbling beneath the surface for months. Commuter discontent with the general condition of rail services as Britain's middle-class, mostly non-union labour force had similarly been on the increase.

Earlier this year, Mr Knapp seemed to bring off a remarkable marriage of convenience by having his members dress up as sardines to share the general public's exasperation.

But he finally moved into action only when divisions between the three rail unions over strategy had been overcome and when a ballot result had told him without any doubt that his men were prepared to move. Once the strike train was rolling he never once

overstepped his brief. He opted for weekly 24-hour strikes rather than an all-out strike and direct confrontation with the Government which the hard-left in his union wanted.

The strategy ensured minimum discomfort to his own membership in terms of lost pay, and sufficient unease to the commuter to focus attention on the issues behind the dispute without having their bad temper turn against the union. It left BR management and the Government utterly disorientated.

Only in the last hours of the dispute, with the NUT holding out while the other rail unions accepted a considerably improved offer from BR, has Mr Knapp come dangerously close to losing the goodwill he has steadily built up over the last month. But then with BR management seemingly down on its knees, the temptation to go for a knock-out must have seemed difficult to resist.

Labour Party seeks urgent action on teacher shortage

By David Thomas, Education Correspondent

THE Labour Party will today demand an emergency programme from the Government to combat the growing problem of teacher shortages.

Labour's initiative comes as the National Union of Teachers, the biggest teaching union, last night raised the spectre of more classroom disruption over teachers' pay.

Mr Jack Straw, Labour's education spokesman, will demand a package of measures on teacher shortages in a Commons debate today initiated by the Opposition.

Labour will call for an interim pay award, together with help with housing costs and better child care assistance for teachers.

Mr Straw warned last night that parents would take the Government to court if teacher shortages in the autumn prevented their children from being educated.

Some children have already had to be sent home from schools in East London because of a lack of teachers. There are widespread fears that the position will deteriorate in the new school year following a wave of resignations of primary

teachers in Hackney and Tower Hamlets.

"In score of schools the heads have already duplicated the letters to parents, ready for September, to explain why their children have been sent home," Mr Straw claimed last night.

Mr Straw's attack was reinforced last night by Mr Fred Jarvis, NUT general secretary, who called on the Government to learn the lessons of the past "before we get to yet another major dispute or an acceleration of the exodus from the profession."

Mr Jarvis, speaking in Norwich, added: "If the Government wants teachers to be the next group of public service employees to be driven to industrial action to get a fair deal, it is certainly going the right way about it."

The NUT leader's comments were a departure from his union's recent attempts to cultivate a less militant image, but Mr Jarvis argued that the 6 per cent teachers' pay settlement imposed by the Government in April was below both the increase in inflation and in average earnings.

Health and safety staff hit by 'very low morale'

By Our Labour Editor

THE Health and Safety Executive's resources need to be significantly improved to overcome widespread low morale among inspectors, according to a report published yesterday by the Institution of Professional Civil Servants.

The report on the HSE's activities over the past year says that the Government could significantly increase staffing levels, for a relatively small sum. This would allow more research, greater frequency of preventative inspections, and a higher profile for health and safety with the general public and industry.

The report says: "The morale within the inspectorate is very low. Inspectors have had nine years of working in a politically hostile environment."

The increasing emphasis on reactive, rather than preventative, inspections is further undermining morale, the report says. It estimates that the number of inspectors would have to be increased from 850 to 980 to reduce the average frequency of preventative inspections to one every four years.

To allow the inspectorate to investigate 10 per cent of reported accidents and most

complaints would mean increasing the 105 staff.

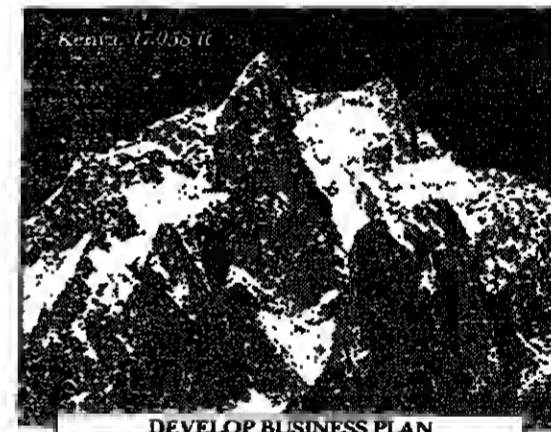
A further 50 staff would be required to allow inspectors to follow up serious accidents and confirm that their inquiries have been satisfactorily concluded.

About 35 extra inspectors would be needed to double the number of preventive visits to construction sites. Another 50 inspectors would be required to allow national industry advisory groups to provide an adequate service and to seek out, register and advise previously unregistered companies.

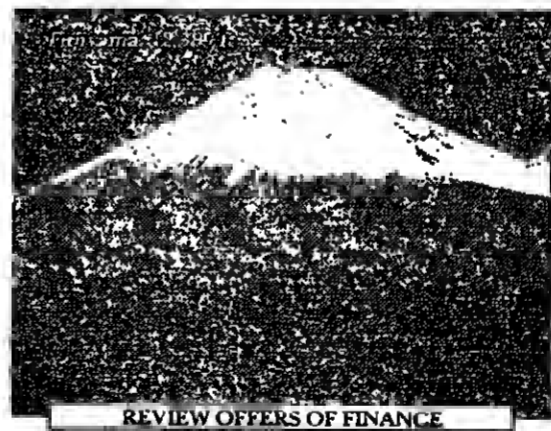
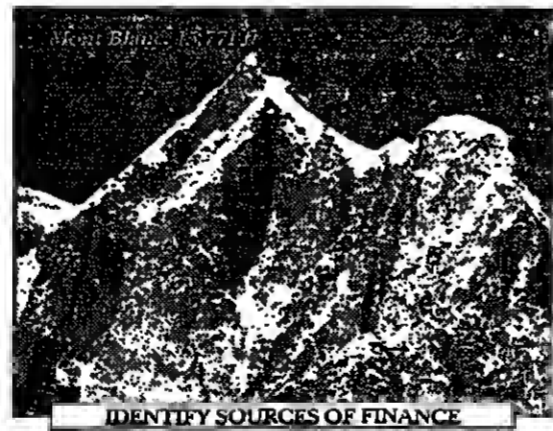
In agriculture the greatest risks are posed by family farms which do not employ any workers. The report says these premises are on average visited once every 29 years or once a generation, although they are often heavy users of dangerous machinery and pesticides.

The HSE's budget expanded to £118m this year or by 5 per cent in real terms last year, which in part allowed it to recruit more inspectors for nuclear establishments.

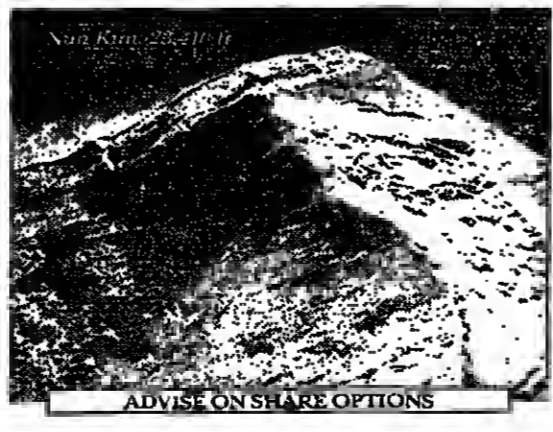
An alternative report on the work of the Health and Safety Executive in 1988: the IPCS, 75-79 York Rd, London SE1 7AQ.



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UK NEWS

Sales growth hits 5-year low amid rates squeeze

By Ralph Atkins, Economics Staff

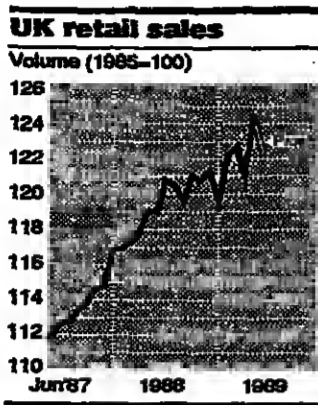
GROWTH IN retail sales slid to the lowest annual rate for nearly five years last month as high interest rates squeezed consumer spending, official figures showed yesterday.

Sales volumes tumbled a provisional 1.8 per cent between May and June after adjustment for normal seasonal variations - the largest monthly fall for more than two years. That partly reversed a sharp rise in May and encouraged hopes of a cut in interest rates later this year.

In the three months to June, retail sales were 3.4 per cent higher than the same period a year before - the slowest growth rate since autumn 1984. At the height of the consumer boom last summer, the annual rate hit peaks of 7 per cent.

The Department of Trade and Industry (DTI) figures cheered financial markets, helping allay fears that consumers had adjusted to mortgage rate rises and were returning to fast growth in spending. The Treasury said they confirmed that tight monetary policy was having the desired effect on demand.

London analysts said a moderation in retail sales was a necessary condition for a fall in interest rates, but a cut was unlikely until the economy shows signs of slowing significantly. Sterling firmed after the figures, ending a pfmimg



ing shows little signs of slowing. Changes to the National Insurance system, which take effect from October, and the prospect of tax cuts in next year's budget could further encourage spending.

The figures confirmed results of the latest Confederation of British Industry/Financial Times distributive trades survey. This showed sales growth returning to a slower growth path in June after rebounding in May.

Recent monthly figures have almost certainly been distorted by unseasonably warm weather. In May, retail sales volumes jumped 3 per cent, partly because of particularly buoyant clothing sales.

The DTI said strong growth by food stores extended into June but other retailers, including department stores, saw falls from May's levels. It said sales of household goods were poor for the time of year.

In the three months to June, sales were nearly 1 per cent higher than the previous three months. This almost certainly overstates the underlying trend, however, because of erratically high sales in May and weak sales in January.

The average weekly value of sales in June was £2.26bn. The index of retail sales volumes stood at a provisional, seasonally adjusted, 122.2 (1985=100) against 124.5 in May.

MPs urge EC fund for greenhouse research

By John Hunt

A CALL for Britain and its European Community partners to set aside a specific percentage of gross national product for research into global warming - the so-called greenhouse effect - was made yesterday by the all-party House of Commons energy committee.

"The EC would then set an example to the rest of the world which the Eastern bloc and developing countries might well follow," the committee said in a report into the energy policy implications of the greenhouse effect.

"Global warming may be an assault on the security of the world and every country should be able to contribute to environmental defence," the report says.

Sir Ian Lloyd, the Conservative Member of Parliament who chairs the committee, warned yesterday that the total elimination of greenhouse gases would impose tremendous strains on industrial societies.

The report argues that greater energy efficiency was the most effective response to the problem and criticises the Department of Energy for cutting the budget of the Energy Efficiency Office.

It urges that Britain must spend much more on research into global warming, and rejects government evidence arguing that it would be inappropriate for the UK to take unilateral action as it would have little effect globally.

The committee also argued that nuclear power had a role to play in a "greenhouse friendly" electricity supply industry but that this role should not be exaggerated.

Thatcher fails to grab centre stage

Philip Stephens on a changed role for the Prime Minister in Paris

AS MRS Margaret Thatcher reported to the House of Commons yesterday on the conclusions of the Paris economic summit, she has become accustomed to the role of a supporting player rather than the centre stage.

The endorsement again by the seven richest nations of the free-market economic policies which have become the accepted wisdom, the call for vigilance against inflation, and the commitment to a case-by-case approach to the international debt crisis were all welcome in Downing Street.

The strong emphasis of the final statements on protecting the environment, on concerted help for Poland and Hungary, and on international co-operation to combat drugs, also reflected a focus on areas close to the top of Mrs Thatcher's own agenda.

So the Prime Minister confidently shrugged off attempts by the opposition to sustain the charge that she had been snubbed and isolated for much of the three-day summit.

Her fulsome praise of President Francois Mitterrand's handling of the summit and of France's bicentenary celebrations took the steam out of what had seemed to promise the opening of another acrimonious chapter in Anglo-French hickory.

But the media attention - and hype - surrounding Mrs Thatcher's back-row position in the bicentennial seating plans and cavalcades disguised what may turn out to be a much more significant development.

If there was nothing in the communiqué with which Mrs Thatcher would seriously quarrel, it was also clear in Paris that she was unable to command the attention to which



Thatcher and Lawson take a back seat at the summit

she has become accustomed to in recent years.

It was President George Bush of the US, Mr Mitterrand and Chancellor Helmut Kohl of West Germany who appeared to be the significant figures. As one American diplomat in Paris put it: "It is no longer your Prime Minister's show."

In most respects the summit never truly were. The international nature of the inflation problem were rebuffed. The communiqué may have said that containing inflation remained a key commitment, but the consensus was that it posed a real problem only for Britain, Italy and Canada.

More importantly, Mrs Thatcher can no longer rely on an unprecedented relationship with Ronald Reagan to offer her a pivotal role in summit deliberations on the West's political stance.

Mr Bush appeared attentive - at one stage commenting that she had been "shabbily treated" - and he went out of his way to remark on the similarity of views between the two leaders.

It did not escape the notice of officials from other countries, however, that both had been in Paris for two days before meeting for bilateral talks. President Reagan, they commented, would have seen Mrs Thatcher immediately.

The special relationship remained but the White House made it clear that on the main political issues - East-West relations, China, the Middle East - President Bush was determined to set his own agenda.

The summit's conclusions on East-West relations - in particular on help for Poland and Hungary - appeared to indicate, for example, that Mrs Thatcher's long-standing relationship with Soviet President Mikhail Gorbachev was of less importance to the US than West Germany's stance.

Several European diplomats took the view that Mrs Thatcher's authority had been further undermined by her reluctant approach to economic and monetary union within the European Community.

Last month's Madrid summit had left her outside the Franco-German axis established by Mr Mitterrand and Chancellor Kohl, at a time when her influence in Washington had been significantly diminished.

There was no suggestion that the Prime Minister was now destined for a purely supporting role.

The consensus in Paris was that Mrs Thatcher's experience and her forceful personality would ensure that her partners would continue to respect her views. But whether she would be able to tread the international stage with quite the same assurance as during the past few years was far less certain.

Construction begins on N-fuel plant

By David Fishlock, Science Editor

CONSTRUCTION OF A £120m high-technology facility to produce nuclear fuel for a world market has begun at the Springfields site of British Nuclear Fuels, near Preston, Lancashire.

The highly automated plant, packaged in a windowless complex, will combine chemical, power metallurgy and light engineering production lines to make fuel for advanced gas-cooled reactors (AGR) and pressurised water reactors (PWR).

The planned workforce of about 250 will be only half of those currently engaged in making AGR fuel in four separate buildings at the factory, its works director, Dr Gregg Butler, said yesterday.

The new oxide fuels complex is part of a £140m, long-term investment in the Springfields factory, authorised by BNFL last spring.

Manufacture of Magnox natural uranium fuel is expected to be steadily reduced in the 1990s, leaving the factory producing a base load of up to 230 tonnes of AGR fuel a year for the UK's seven AGR power stations. No more fuel stations of this type are expected to be built.

Broker warns over electricity profits

By Max Wilkinson, Resources Editor

PROFITS in the privatised electricity industry will be highly vulnerable to nuclear energy costs or a squeeze by the government regulator, according to a study published yesterday by stockbroker UBS Phillips and Drew.

The difficulty of selling the nuclear power stations was emphasised yesterday by the results of a National Opinion Poll survey which suggested that only half those people now considering buying shares in the electricity industry would do so if the sale included nuclear assets.

The poll, commissioned by Friends of the Earth and Greenpeace, the environmental organisations, suggested that 17 per cent of those interviewed might buy shares in electricity if it were free of nuclear power.

UBS Phillips and Drew says the cost of decommissioning the ageing Magnox nuclear reactors could be \$4bn (£2.4bn) but this figure could rise to \$12bn if the work were to be carried out in 25 years rather than after 100 years, as at present envisaged. The figure for decommissioning would be some 30 per cent more than the valuation of all the Central Electricity Generating Board's nuclear assets.

The broker says that although the Government has promised to make £2.5bn available to alleviate the risks of decommissioning nuclear plant, it has also said that the money will only be disbursed for unforeseen expenditures.

The study puts the value of the industry to investors at about £13bn compared with its published net asset value of £87bn on a replacement cost basis.

It says that future profits, and therefore the value to investors, will depend crucially on the way the industry's regulator operates the formula for setting electricity prices.

This formula will allow distribution companies to raise prices in real terms (in addition to inflation) by an amount Y minus X, where Y represents any increased cost of generating electricity and X is an efficiency factor to be set by the regulator. The study suggests that if the X factor were set at 1 1/2 percentage points instead of an assumed 3/4 percentage points the valuation of the distribution companies would be reduced by 70 per cent. A cut in the X factor to 1/4 percentage points would increase the valuation by 150 per cent.

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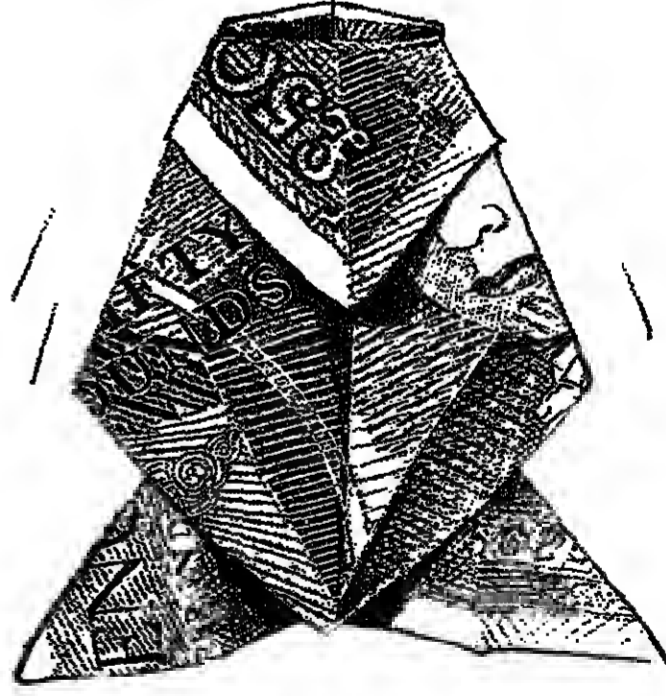
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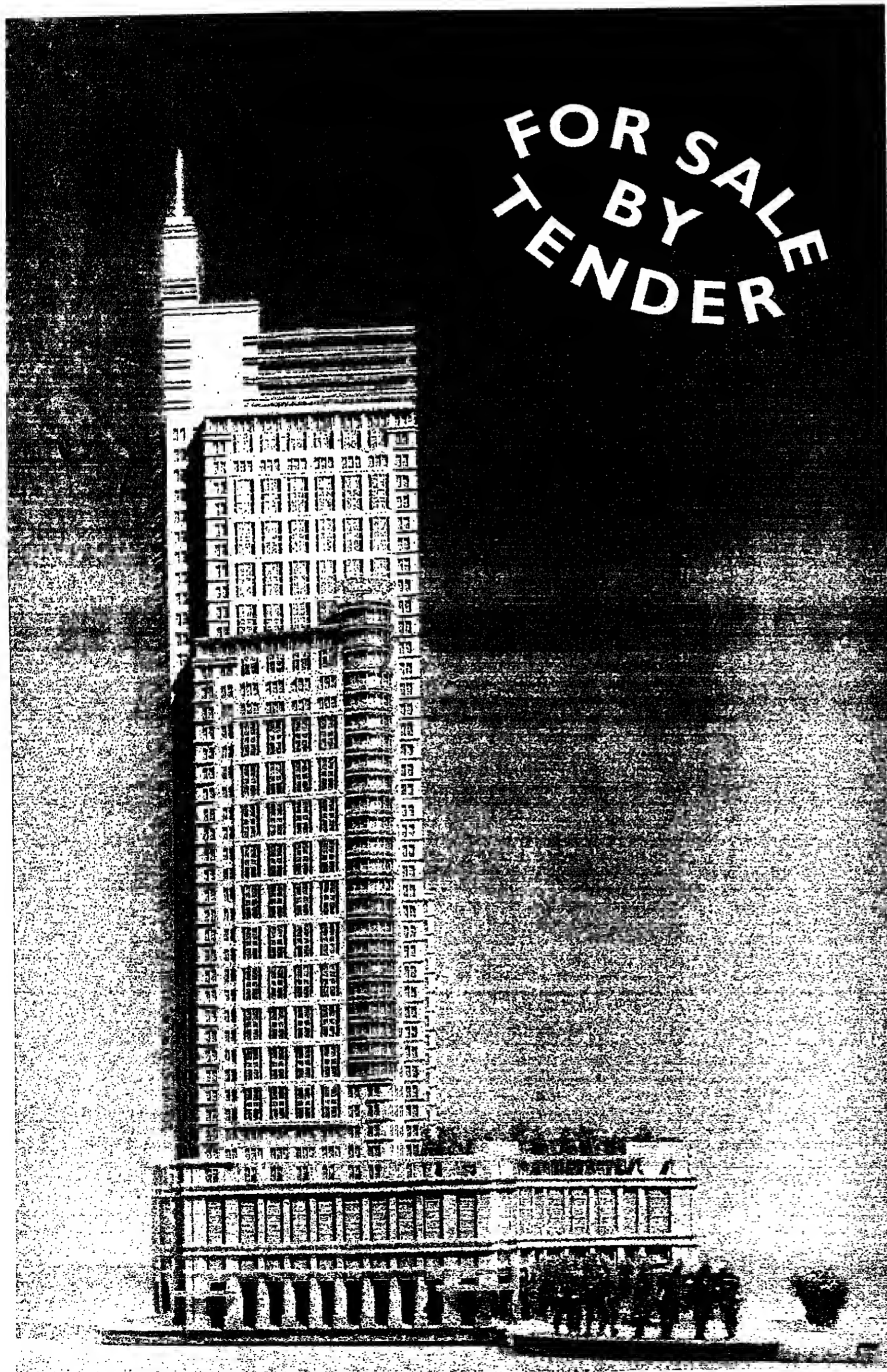
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Alternatively you may wish to call Bond Corporation direct on Sydney (612) 231 1311.

TECHNOLOGY

As universities seek more cash from industry, Alan Cane reports on a link that pays

A catalyst when change is essential

Warwick University, in the UK, has a reputation better than most for its willingness to work with and for industry. Its Management Systems Engineering Group, led by Professor Kumar Bhattacharyya, exemplifies this. It specialises in working with companies at a technological crossroads, where the board of directors realises the need for fresh thinking to catalyse change.

The MSE Group provides a consultancy service that helps companies to integrate their business and technological strategies. On the management training side, it offers a new 2½-year master's degree via the Integrated Graduate Development Scheme and conventional full-time master's programmes. It also carries out research in the field of automated manufacturing.

the layers of non-productive bureaucracy which he thinks information technology could eliminate. One sign that his group is working along the right lines is the willingness with which industry puts funds into the Warwick campus. For example, the Advanced Technology Centre (ATC) has been funded to the tune of £3m by the Rover Group.

director, says that the loan of equipment is particularly valuable in information technology because systems become obsolete so quickly. Stuart Mitchell, of DEC, says the value of working with Warwick is threefold. First, it provides a test bed for advanced software applications.



WORTH WATCHING Edited by Della Bradshaw

Screwing down the air leaks

MOST manufacturers rely on compressed air, be it to blow pills along a pharmaceutical production line, to cool electronics components or to drive the shuttles that weave fabrics. So, although unglamorous, any improvement in air compressor efficiency has a far-reaching effect.

An enzyme to produce pulp

THE GREEN revolution, which is changing the way European companies manufacture and market their products, is influencing Japanese industry, as well.

environmentally unfriendly chemicals. Traditionally, paper chips are boiled in distilling kettles with chemicals, such as sodium hydroxide, in order to break down the lignin — the complex polymer which gives wood its rigidity.

The enzyme will work without producing any unpleasant smells or hazardous liquid waste that would need careful disposal. The company says the enzyme could eventually do away with the need for large-scale chemical plants at pulp production factories.

Access to US research

EUROPEAN companies wanting information about the wealth of research and development going on in the US — from ship building and health care to electronics and food — can now search an electronic database stocked with research documents.

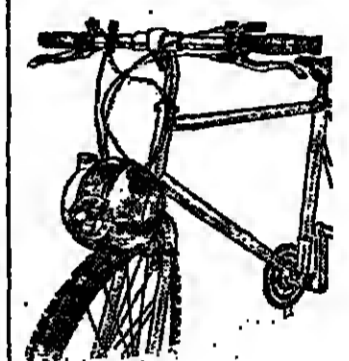
Calling foul on mobile charges

A CATALOGUE of extortionate cell charges is reported by the magazine What to Buy for Business in its latest research into the UK mobile telephone market.

The report says that because mobile phone prices have plummeted, opportunistic dealers are jacking up the prices of services to preserve profits. While the standard call charge for mobile services is 33p a minute in peak time, some dealers are charging up to 50p a minute and one example of £1 a minute was uncovered.

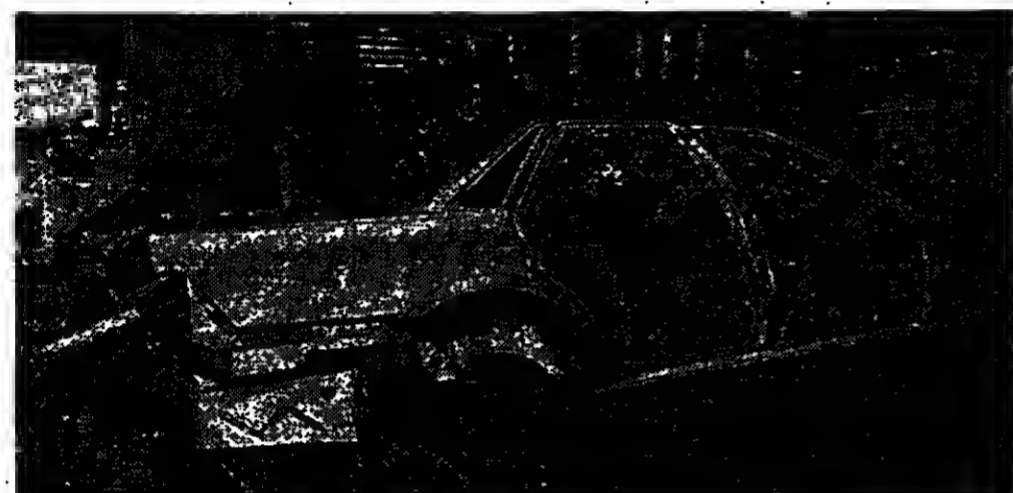
Power to the pedal cycle

HELP is at hand for people who have invested in bicycles to by-pass public transport troubles, only to discover that cycling uphill is not as easy as they thought. Priestman Associates, a British design consultancy, has revived the idea of attaching a motor to the front wheel of the push-bike to help cyclists arrive at that important business meeting a little less sweaty.



CONTACTS: CompAir BroomWade; UK, 0494 465000. Op Paper, Japan, 3 563 1111. R.L. UK, 0620 23377. What to Buy for Business, London, 730 0403. Priestman Associates, London, 376 4950.

Once the Rover Group had settled on its Integration and Development Plan in the early 1980s, it realised that it needed help to implement the technology that would underpin the business transformation. Warwick university was enlisted both to improve the technology and to train managers.



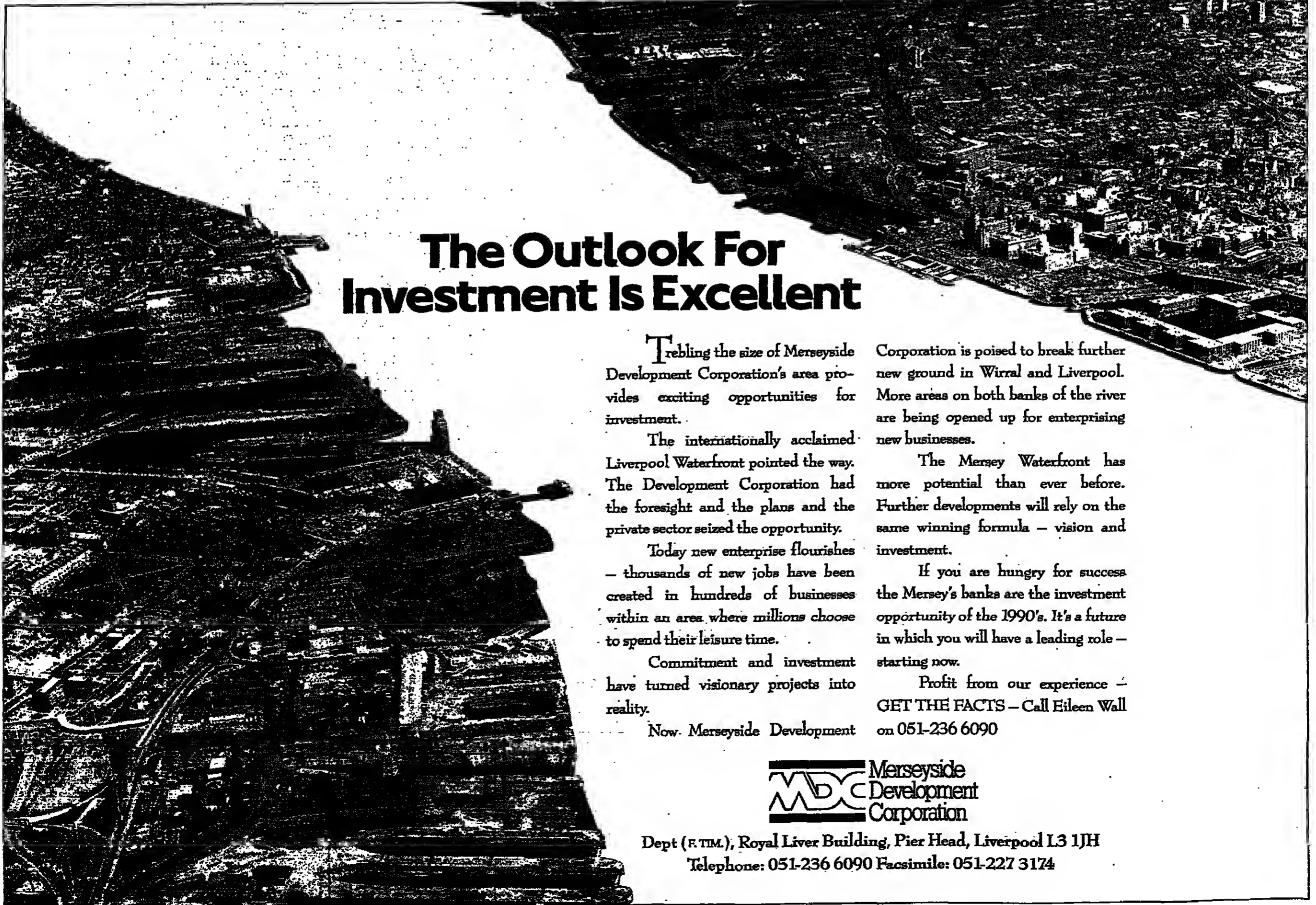
Side panel assembly of a Rover 800 at the Cowley factory

components which in the past enabled Rover to build a dozen variations on a model. Now large areas of the factory formerly filled with wheel assemblies, suspensions and so on are lying fallow. Rover has moved to a form of lean, just-in-time manufacturing based on Japanese practice.

This demonstrates the concern with the management of materials rather than people. More than 70 per cent of Rover's manufacturing costs, according to Barry Hunt, Cowley financial controller, are tied up in materials. The new lean procedures, he says, have cut inventory by about £16m out of a yearly total of £26m — a 60 per cent reduction in two years.

line in bar-coded containers. When empty, demands for replacements are sent to the CDC; only when the components are checked out of the centre does the mechanism for paying the suppliers start to operate. Timed deliveries contrast with the haphazard methods of earlier years when "lorries were parked nose to tail down the Cowley Road," as Hunt recalls. Now Rover guarantees to take delivery of components at an agreed time and date.

The Outlook For Investment Is Excellent



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MANAGEMENT: The Growing Business

In search of overseas markets

Making headway in a land of opportunity

Charles Batchelor begins a series on ways to realise potential in the US

You might not expect a British company to be selling air conditioning...



Breaking into the US

The British company initially went into the US with its main line air conditioning...

Chris Carrington, Airedale's marketing manager, attributes the company's success in the US in large part to sheer determination...

"People fear that the Americans are super duper businessmen who cannot be beaten," explains David Burnikell...

Despite the achievements of companies like Airedale, some people in the export business are concerned that British firms are ignoring the American market...

creation of a single barrier-free market in 1992.

"What worries me is that this hype to push people into Europe is causing them to neglect the US," says Ian Weatherhead...

Not surprisingly it is not only British exporters who have cottoned on to these advantages. The attractions of the American market mean that everyone else is also trying to break in...

Management nearly always underestimate the costs and lead times involved in establishing a market presence against established American competitors...

Adeney opened a shop near San Francisco's fashionable Union Square five years ago. With hindsight he says he underestimated what it would cost to get established.

"You must expect to spend more than you budget for," says Adeney,

whose 250-year-old company has total sales of £4m and a workforce of 100 people. "Our marketing in the US was not nearly strong enough and we needed more finance for promotion."

Adeney decided to locate in San Francisco because, unlike Los Angeles, it had "old money" customers who, he felt, would be attracted by quality English products.

Robert Adeney says he thought hard about which products he should offer in his San Francisco shop but still had to return or discount a significant proportion which did not sell.

He also underestimated the spending power of wealthy Californians and found that the most expensive items sold out straight away while middle of the range items sold less well.

The choice of which products to offer in the US will depend in part on the ability of the item to absorb the cost of shipping and duties. Competing on price alone with low-cost items is therefore unlikely to succeed as a strategy.

Once the would-be exporter has made a decision on the products and the target markets he must then choose how to distribute them in the US.

Agents, on the other hand, will take orders and send them on to the exporter who then ships direct. Distributors and agents can provide invaluable contacts for a small business which is new to the market but they do impose an additional cost on what is already an expensive operation.

Robert Adeney decided he needed a shop to sell his products in the US but it has only been since he opened his San Francisco outlet that he realised the importance of mail order for Americans.



Chris Carrington: sheer determination a key to exporting

Before attempting to break into the US market the exporter must identify which, if any, of his products will sell. "Make sure your product is relevant," advises David Burnikell.

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Euro network slow to generate agreements

Smaller firms in Britain and Spain are the keenest to establish links with their counterparts in other European countries...

The Business Cooperation Network or BC-Net was set up a year ago to encourage links between small businesses throughout the Community.

More than 10,000 profiles have been filed since the network was created of which just over 6,100 are still held on the system.

Despite the large numbers of profiles which have been compiled, progress to reaching agreement takes some time and only a relatively small number of co-operation agreements have been signed.

Charles Batchelor

In brief...

New businesses are being created at a faster rate in London than in the UK as a whole, according to a new survey... London's Economy: Trends and Prospects into the 1990s.

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BUSINESS FOR SALE

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Our Corporate Special Services Department has a network of offices throughout the UK, offering guidance on corporate take overs, company restructures, as well as comprehensive services to creditors and banks. Contact any of the people at our main offices listed below to find out how they can help you best:

London	John Richards	Tel: 01-495 5799
Belfast	Arthur Boyd	Tel: 0232 649111
Birmingham	Andrew Potts	Tel: 021-431 2388
Bradford	Roger Sumridge	Tel: 0364 54445
Bristol	David Reid	Tel: 0272 231622
Cardiff	Robert Ellis	Tel: 02923 483311
Chennai	Robin Wilson	Tel: 041-299 2500
London	Mark Brown	Tel: 0202 444743
Leicester	John Dolman	Tel: 0533 545598
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- * Leasehold premises of 4000 sq ft
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For further information please contact Gurpal Johal or David Oprey at Spicer & Oppenheim & Partners, Elsworth House, 94 Alfred Gelder Street, Hull, HU1 2SW. Telephone: 0482 223579 Facsimile: 0482 223280

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Financial Times
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The Receiver offers for sale the business and assets of the above companies:

- combined business turnover of £648,000 per annum
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- established customer base
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- largest stockholder of exhaust systems in Kent and Sussex
- exhaust systems for vehicles 1929-1989.

For further information please contact the Administrative Receiver Chris Ashurst or John Powell
37 Frederick Place Brighton East Sussex BN1 4EA Tel: 0273 206788 Fax 0273 820901

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Tel: 01 407 8454 Fax: 01 407 6423
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The Joint Administrative Receivers offer for sale this manufacturer and distributor of high quality ladies' outerwear.

Operating from a leasehold head office at Great Marlborough Street, London W1, with leasehold factory premises in London N1, the company's budgeted turnover for 12 months to November 1989 is £4.2 million.

For further information, please contact W. M. Roberts or N. J. Hamilton, Ernst & Whinney, Becker House, 1 Lamberth Palace Road, London SE1 7EU. Tel: 01-928 2000. Fax: 01-928 1345.

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- Annual turnover approximately £2 million
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For further details contact -
Nigel Mallet Administrative Receiver
Newland Mallet Garner Woodbury & Co
Chartered Accountants
Crown House 37-41 Prince Street
Bristol BS1 4PS
Telephone: 0272 277702
Fax: 0272 215427

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Enquiries to G.C.S. Baker or T. Frid, Ernst & Whinney, Provincial House, 37 New Walk, Leicester LE1 6TU. Tel: 0533-549818. Fax: 0533-551357.

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Fax No : 01 381 2181

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For further information please contact
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FOR SALE

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DIVERCO LTD.
4 Bank Street
Worcester WR1 2EW.
Tel: 0905 22303

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Company for sale as a going concern complete with warehouse/office units and trailers etc.
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The Managing Director, Financial Times, One Southwark Bridge, London SE1 9HL.

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Please reply in confidence to Box F9853, Financial Times, One Southwark Bridge, London SE1 9HL.

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- Vehicles.

The directors are prepared to consider offers with or without the freehold property.

For further details contact financial advisors: Grant Thornton, 19 Mill Street, Bedford MK40 3LB (Ref BAM/KRS) Tel: 0234 211521, Fax: 0234 325717.

Grant Thornton
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Pharmaceutical Manufacturer West Yorkshire

Business and Assets for Sale as a going concern

- Jacksons (Chemists) trades from a fully equipped health food/pharmaceutical manufacturing unit, 12,500 square feet.
- Facilities include labeling, printing, mixing and coating, also liquid filling.

For further details please contact Joint Administrative Receiver M J Horo

ROBSON RHODES

Chartered Accountants

St. George House, 40 Great George Street, Leeds LS1 3DQ Telephone 0532 452951

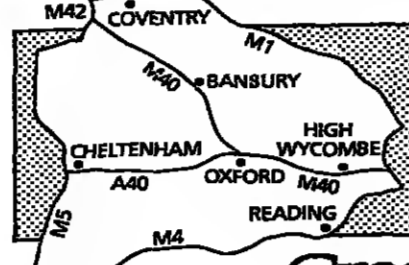
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- An existing management infra-structure.
- Capacity for milling and turning.
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- Located within the boundaries of the map below.



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We are a group of Companies and are looking for businesses with a turnover of £200,000 and above in the following fields:

As a group we welcome existing Management and proprietors continuing. Please write to the address below so that a meeting can be arranged.

FOOD INDUSTRY

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Old-established, successful Private Group wishes to acquire a Joinery Business preferably located S. London/Kent. Please contact in first instance:

Box F9051, Financial Times, One Southwark Bridge, London SE1 9HL.

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Duncan Aviation

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Companies and Portfolios required from £5m to £20m. Cash and/or Equity - Agents retained where necessary.

BUSINESS FOR SALE

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PANNELL KERR FORSTER

CHARTERED ACCOUNTANTS

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R & D BUSINESS FOR SALE as a going concern

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or Gordon Milligan on 0272 842327 Fax: 0272 237566

PERSONAL COMPUTERS & SOFTWARE

The Financial Times proposes to publish this survey on:

Wednesday, 27th September 1989

For a full editorial synopsis and advertisement details, please contact:

Meyrick Simonson on 01-873 4540

or write to him at: Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

FT LAW REPORTS

Cargo buyers cannot argue shortfall

THE WISE
Court of Appeal (Lord Justice O'Connor, Lord Justice Mustill and Lord Justice Nourse)
July 7 1989

AN AGREEMENT to unblock stranded cargo without prejudice to the legal position under the cargo sale contract, confirms subsequent litigation rights in dispute when the dispute has crystallised in that the parties have formed specific views as to its basis, and the agreement is made with those views in mind. And, accordingly, in the action under the sale contract, the buyer cannot advance a new case based on shortfall if, when the without prejudice agreement was made, his case was based on late delivery.

The Court of Appeal so held when allowing an appeal by Vitol SA, seller of cargo carried on the Wise, from Mr Justice Leggatt's decision that the defendant buyer, Esso Australia Ltd, would have been entitled to reject cargo on grounds of shortfall.

LORD JUSTICE MUSTILL said that on February 11 1986 Vitol sold Esso 29,000 to 31,000 metric tonnes of premium motor spirit c & f (cost and freight) Hobart and Melbourne. By clause 9 of the contract, delivery was to be by March 20 to 30 1986. Clause 12 provided that title and risk passed on loading.

On February 25 Vitol chartered MV Wise to lift the cargo. On February 26 it broke the news of likely shortfall to Esso. The contract was varied to provide for a minimum of 27,500 metric tonnes, with discharge of 7,500 at Hobart. The vessel was able to load only 26,886 metric tonnes, leaving a deficit of 692 per cent of the minimum contract quantity.

Her estimated time of arrival at Hobart was March 29. On March 6, the day after she sailed, the vessel was hit by an Exocet missile fired in the Gulf war, 95 miles off Qatar. The crew abandoned ship.

On that date Vitol advised Esso that the quantity loaded was 26,886 metric tonnes - less than anticipated. Esso replied asking for documents and information as to Vitol's ability to deliver on time.

Esso believed that, notwithstanding the c & f terms, the arrival dates in clause 9 turned the transaction into a "delivered" sale. It decided not to take the shortfall point at that time, because it could not get supplies elsewhere.

It made no mention of rejection on the ground of shortfall. On March 9 Vitol faxed bills of lading to Esso. Although they showed the cargo was short-shipped, Esso did not raise the point. Instead it replied "please advise your intention regarding delivery."

That reflected Esso's view that it was concerned with a delivered contract, under which Vitol was obliged to get the right quantity of cargo to destination on time. Under a c & f contract there would be no such obligation. If the voyage ran into difficulties the buyer would have to make his own arrangements.

By March 12 the vessel was anchored off Dubai, and it was known that the cargo tanks were undisturbed.

By March 21 Vitol had heard that Esso was contemplating action for late delivery. On that date the shipowners abandoned the voyage.

On March 25 Esso's solicitors wrote to Vitol's solicitors stating that Esso considered the risk in the cargo had not passed. Vitol replied that Esso's destination on time obligation had been frustrated as a result of the missile attack, and both parties were released from further performance. If the agreement had not been frustrated, they said, Esso would be entitled to reject the cargo if not delivered by March 30.

The without prejudice agreement was performed according to its terms. Esso procured the cargo's on-carriage to Australia. The parties then proceeded to litigate in the Commercial Court. Two factual questions arose on the pleadings - (1) whether it was agreed at the time of the sale contract, that Vitol would make up shortfall by purchasing cargo in Australia; and (2) whether there was a trade custom whereby the passing of property would be suspended until the buyer accepted the seller's nomination of the carrying vessel.

In addition, the evidence touched on the buyers' intentions with regard to rejecting documents or cargo on short-fall grounds if all had gone well, and what the sellers would have done if there had been no without prejudice agreement. Vitol was not asked to explore the trade custom question. The without prejudice agreement was not in the judge's mind until late in the proceedings and its language and structure were never fully explored.

Mr Justice Leggatt determined question (1) in favour of Esso, and question (2) in favour of Vitol. Mustill was not asked to explore the trade custom question. The without prejudice agreement was not in the judge's mind until late in the proceedings and its language and structure were never fully explored.

Under the without prejudice agreement Esso was willing to make arrangements and leave open the legal position of the parties to a later date.

The effect of a without prejudice agreement would often be that the underlying dispute was freely litigated independently of the interim arrangements. The present agreement was different. It was plain that its draftsmen saw themselves as dealing with a dispute which had crystallised on March 25 and 26. Neither they nor their clients had any notion that the dispute should depend on a point never previously mentioned.

The agreement was intended to reflect the existing dispute, not to enlarge it, and it crystallised the issues for decision by the court as defined by the letters of March 25 and 26.

Esso could therefore not now be allowed to advance an entirely new case on shortfall.

The same contract was reached by a different route. Esso's conduct, taken as a whole and including its participation in formulating the terms of the without prejudice agreement, was such that it could not fairly be allowed to rely on its new point.

Whether the principle which led to that conclusion was expressed in terms of waiver or estoppel was not important. Either way one would look for conduct by Esso conveying that termination of the contract was not founded on shortfall, and for reliance by Vitol on the impression thus created.

Both those elements were present.

By March 10 Esso was in possession of copy documents which made the shortfall obvious. Two weeks later it advanced its three propositions, none of which was founded on shortfall. Two weeks later still it was ready to sign an agreement which defined the dispute in terms of those propositions.

That was a clear intimation that those and no others, were the arguments on which it was going to rely.

Esso's reliance as to shortfall led Vitol to take a different course from the one it would have adopted if all the cards had been on the table. The necessary element of reliance was established.

For those two reasons, neither of which was developed before the judge, Esso ought not to have been permitted to rely on the fact that the quantity shipped was less than the contract quantity.

The appeal was allowed. Lord Justice Nourse and Lord Justice O'Connor agreed.

For Vitol: Gordon Pollock QC and Bernard Eder (Ince & Co). For Esso: Stephen Tomkinson QC and Stephen Kenny (Thomas Cooper & Stubbard).

Rachel Davies
Barrister

ARTS

Another slice of the Chantrey Bequest

From Sheffield, William Packer discusses the merits of a very idiosyncratic, British collection

To celebrate rather more than a 100 years of collecting by private benefaction...

Sir Francis Chantrey, a sculptor phenomenally successful in his time, died in 1841...

As it is, we do still have our cumulated Chantrey Cake, and how full of plums it proves to be...

All collections that deal in the currency of art must grow, and so come in time to hold rather more than can ever be shown at once...

The Chantrey Bequest is an idiosyncratic, very British device whereby we have repeatedly acquired works of art we never knew we wanted.

"Spring in Cornwall" by Dame Laura Knight. Oil on canvas, 1916-20

Keep the world in focus. For many executives that could be a daunting task were it not for the Financial Times...

Travelling on Business in the Netherlands? Enjoy reading your complimentary copy of the Financial Times when you're staying in Amsterdam...



Felicity Lott Arabella GLYNDEBOURNE FESTIVAL

Expertly revived by Monique Wagemakers in John Cox's 1985 production, Richard Strauss's opera again makes a thoroughly happy evening.

Felicity Lott's Arabella is even more bewitching than before, when she melted gloriously, once in a while...

In fact, the Flott Arabella has become as treasurable a performance as her Marchalini or her Capriccio Countess.

David Murray

Bastille Day

OPERA BASTILLE

The inaugural schedule at the Opéra Bastille complex has been given over to orchestral concerts in the Grande Salle and song recitals in the Amphitheatre.

This plan was designed to put into action, non-operatically speaking, those two of the four Bastille auditoria open for business.

On the second day of lunching week, Bastille Day itself, the place was at last thrown open to the people of Paris.

French music in New York

Over here, the bicentenary of the French Revolution has so far been celebrated with music mainly monarchical.

No longer can Lully be deemed a dull composer - not after this Agis. If I don't rave on for a paragraph or two about the merits of the alternating Anglo-American and Franco-Belgian casts...

external vistas (from the top balconies there are splendid views across the Paris rooftops) and its awareness of practical considerations.

But at the same time, one began to feel definite alarm at some of the acoustical indicators thrown out during both this Berlioz concert and the previous evening's operatic medley...

A word about the 500-seater Amphitheatre in the bowels of the building - clean-lined, gleaming in white stone, rather unwelcoming in its cushionless seating arrangements...

Max Loppert

Borodin Trio WIGMORE HALL Amidst the current rush to promote concerts in London as thematically linked events...

Richard Fairman

ARTS GUIDE July 14-20

- OPERA AND BALLET London Royal Opera, Covent Garden: The Royal Opera's sylvan Die Zauberflöte... Munich Opera, Munich opera festival... Paris Grand Palais des Champs Elysees... Frankfurt Opera, Offenbach's three one-act operas...

'Summer in the City' A ski slope on the roof, pianists in the concert hall and fireworks by the Barbican lake are just three of the attractions in the Barbican Centre's family festival...

صديقا من الاجل

LETTERS

Africa's 'nightmare' could become a reality

From Mr Stanley Please. Sir, Your editorial 'Flawed Plan for Africa...' is itself flawed (July 13). The Economic Commission for Africa...

basic factors impeding its development were removed. unsustainable western lifestyles, high defence expenditure, absurdly high import-intensity of consumption and production, failure of government.

country to country. What is now required is to get the 'toughness' of the ECA on the important policy issues which are impeding development in Africa...

Set-aside and EC cereals production

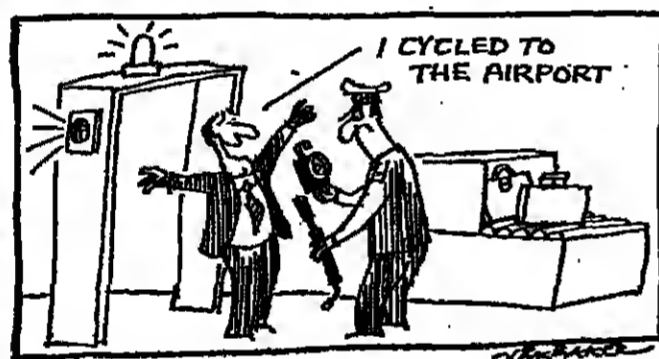
From Professor Alan Swinbank and Mr Nicholas Beard. Sir, You report (July 13) that Mr Raymond MacSharry, the European Community Agriculture Commissioner...

passes 160m tonnes, price penalties begin to bite. You suggest that the Commission believes that the set-aside scheme to date has only achieved a 'modest success'...

new financial package offered to farmers for set-aside, funded by the EC taxpayer, the higher the EC price of cereals is likely to be.

Cyclists compete

From Mr Richard Carter. Sir, Despite the effort to find something to praise in Lord Young's proposals for the brewing industry (July 11) I am struck by the pessimism of the UK Government's approach to competition policy.



No striking difference

From Mr Patrick Uden. Sir, Twice recently I have needed to fly to Teesside. On May 8 I drove from my home in Paddington to Heathrow, and on June 28 I cycled.

that London was strikebound on the day of the quicker journey. Energy consumption for both journeys: Car: one gallon of four star petrol; Bike: One cup of coffee.

Table comparing energy consumption between a car and a bicycle for a journey from Paddington to Heathrow.

Price scheduling at British Gas

Mr W.R. Probert. Sir, The views of the Energy Intensive Users Group on the new British Gas schedules for interruptible gas (July 10) require some clarification, particularly about the role of interruptible sales and their relationship to firm sales.

The minimum periods of interruption represent only a moderate proportion of the total allowable periods that would be utilised in periods of high demand and, therefore, should not result in operational problems to the customer.

The general accusation that British Gas is in some way abusing its monopoly position is without foundation. The facts are that British Gas has implemented the recommendations of the Monopolies and Mergers Commission...

Green politics must not turn grey

From Mr Iain M. Brodie. Sir, Liberty, equality and fraternity are as much needed today as during the French Revolution, and almost none of left and right in politics (the terms arose from the seating arrangements in the French revolutionary assembly).

else, however, stands the threat of its death. Even if we do not destroy the planet in a war, we are in danger of destroying our ecosystem.

secure a viable long-term future, and you only interested in short-term gain, either monetary or political? In other words, are you Green or not? 'Not' is hardly a useful word to add another colour - are you Green or Grey?

Freedom might come first

From Mr Ernest Freyman. Sir, Policy decisions to tackle imbalances should address causes, not symptoms - thus the Governor of the Bank of England in a recent address (FT report, July 8).

But better than addressing causes is to prevent imbalances from developing in the first place. The latest UK inflationary troubles could have been avoided by a consistently firm hand on the monetary tiller...

More emotional heat has been generated by the fate of Hong Kong and its 5.7m people than by any other foreign policy issue in the UK in recent months, except for the future shape of Europe and its threat to national sovereignty.

FOREIGN AFFAIRS

Why the UK should not shoot from the hip

Robert Mauthner describes how the Hong Kong dilemma cannot be solved by Britain alone

Joint Sino-British Declaration of 1984 should be renegotiated or revoked altogether and that a new date should be set for the hand-over of the colony.

stances in China were relatively propitious. The terms obtained by Britain were certainly better than they would have been if the agreement were still to be negotiated - or renegotiated - with the present hardline Chinese leadership.

What is urgently needed now is to restore the confidence of the people of the colony

ritories, while retaining Hong Kong Island and the Kowloon peninsula, ceded to it in perpetuity, and to delay an agreement on the conditions on which Hong Kong would revert to China until a time closer to the fatal date of 1997.

the right of abode in the UK. Those who advocate the granting of permanent residence in the UK to Hong Kong citizens who do not want to live under an authoritarian Chinese regime, maintain that such a step would be no more than an insurance policy.

Advertisement for CARIPLO BANKING CLASS SINCE 1823. Includes financial highlights table for 1988 and contact information for the bank's head office and branches.

But better than addressing causes is to prevent imbalances from developing in the first place. The latest UK inflationary troubles could have been avoided by a consistently firm hand on the monetary tiller...

INTERNATIONAL COMPANIES AND FINANCE

Plessey hints at new GEC talks

By Hugo Dixon in London

PLESSEY, the UK electronics group, indicated yesterday that it was willing to reopen peace talks with the General Electric Company of the UK and Siemens of West Germany about a solution to their bitter nine-month takeover battle.

"There is an agreement that there is an avenue worth pursuing," the company said. However, it made clear that there were no formal talks taking place between the two sides.

Plessey's willingness to reopen discussions seems remarkable given the criticism it heaped upon GEC for alleged breaches of faith following the

break-down of peace talks less than two weeks ago. The company is now anxious to play down these criticisms on the grounds that they were made in the heat of the moment.

Plessey would not comment on when, if at all, new discussions might begin.

However, directors of the two companies are understood to have made informal contacts over the telephone over the past week.

Plessey's olive branch seems to have been prompted by a feeling that it would not be to the advantage of its shareholders if the takeover battle should drag on for another

three months or more. The whole process has been delayed because of difficulties GEC is having in agreeing undertakings on national security and competition with the Ministry of Defence and the Office of Fair Trading before it can resume a bid.

Plessey is not thought to be willing to agree to a full takeover by GEC/Siemens. If a renewed bid were to materialise, it is understood it would still resist this.

The company's hope rather seems to be that a compromise can be reached, based on selling its half-stake in GPT, its telecommunications joint ven-

ture with GEC. Nevertheless, it appears to realise that it would have to throw more into the pot than the GPT stake if it were to tempt GEC.

The original peace talks floundered when GEC insisted that Plessey also include its strategically important sonar business in a new joint venture.

Plessey is now believed to be willing to listen to proposals that would revive the idea of a joint venture in sonar or other forms of co-operation.

GEC directors were not available for comment calls last night.

Paribas exchanges stakes with Hafnia

By George Graham in Paris

PARIBAS, the French investment banking group, is to exchange equity stakes with Hafnia, the second largest Danish insurer, and plans to develop extensive business co-operation with the company in the Scandinavian market.

The Paribas stake in Hafnia will amount to 2.4 per cent of its capital and 4.4 per cent of its voting rights, and is expected to cost FF90m (\$14m).

Hafnia, meanwhile, will eventually build up a 1 per cent stake in Paribas, worth around FF200m at the company's current share price, and will join the French bank's group of stable shareholders.

The alliance follows a series of business partnerships cemented by equity stakes, such as that recently concluded with Ferruzzi, the Italian food group led by Mr Raul Gardini, which Paribas has built up since its privatisation in January 1987.

Hafnia has around 11 per cent of the Danish life assurance market and 13 per cent of the accident insurance market, but is also active in asset management, through Hafnia Trust and Investment Bank, and in mergers and acquisitions and corporate finance through Hafnia Merchant Bank.

Paribas recently sold its Norwegian subsidiary to Oslobanken, acquiring in return a 15 per cent stake in the Norwegian commercial bank.

Daiichi Sanyaku, the big Japanese ethical drugs producer, has signed a contract to form joint ventures in Tokyo and Paris with Sanofi, the major French pharmaceutical company, to produce and market each other's drugs for treating thrombosis, Kyoto reports from Tokyo.

A joint venture will be established in Tokyo over the next few months. Capitalised at Y100m it will produce and market Sanofi's products. It will be owned 51 per cent by Sanofi and 49 per cent by Daiichi.

A similar venture will be established in Paris over the next year, with the equity stakes reversed.

Lord King under fire for 116% increase in salary

By Lynton McLain

LORD KING, the chairman of British Airways, yesterday had to defend the 116.6 per cent increase in his salary to £385,791 (\$621,123), following criticism from shareholders at the company's annual general meeting in London.

Lord King said: "The justification for whatever is being paid to people who are running this airline is in the results before you." The revenue at BA rose 13.3 per cent in the year to the end of March to £4.25bn. Pre-tax profit was £268m, up 17.5 per cent on the previous year.

Several investors criticised the size of the salary, and at least one BA engineer who is a shareholder suggested that the airline's engineers should receive similar increases. Lord King was told that there was a haemorrhage of engineers leaving BA.

But Lord King retorted to the engineer: "I bet you could get more. It's a free world. If you do not want us to be paid at all we will do some other job."

Lord King said it had been the decision of the directors to give him something that would "compete with the rate for the job internationally that I was doing".

Shareholders also questioned the £211,000 compensation paid to Mr Gordon Dunlop, the former financial director of BA. He received a total of £285,000, including his pension rights. Lord King said the payment had been due to Mr Dunlop.

British Airways has re-introduced the posts of joint deputy chairman, dropped some years ago. Sir Colin Marshall will keep his post as chief executive and will become one of the airline's joint deputy chairmen.

Lord King told shareholders. The other joint deputy chairman is Mr Michael Angus, chairman of Unilever, who will act in a non-executive capacity, on the retirement of Mr Robert Henderson, deputy chairman.

Lord King, in his opening address to the meeting, called for the earliest centralisation of Europe's air traffic control systems to make delays a thing of the past.

He urged a co-ordinated effort to ensure that Heathrow beat off European challenges to its position as the world's leading airport.

"We should press for the early unification of air traffic control systems in north-west Europe under Eurocontrol (the organisation being set up by national civil aviation authorities). We must make air traffic control delays a thing of the past," he said.

State may reduce stake in Cockerill Sambre

COCKERILL SAMBRE, the 69.2 per cent state-owned Belgian steel maker, might issue new shares in the autumn in a capital increase, according to a spokesman for Mr Bernard Anselme, the Belgian minister responsible for the group, AP-DJ reports.

The spokesman said the authorities were studying the possibility of an issue equivalent to between 10 per cent and 20 per cent of Cockerill-Sambre's current share capital. Discussions were still at an early stage.

The steelmaker has 281.8m shares outstanding. Cockerill Sambre stock closed at BF374 yesterday.

Plans for the issue follow a turnaround in Cockerill Sambre's results. In 1988 the steelmaker posted net profit - its first in 13 years - of BF7.2bn (\$1.1bn), against a loss of BF1.8bn for 1987.

A share sale would reduce the state's shareholding in the steelmaker to about 90 per cent. The Belgian authorities have been discussing for several months a formula under which Cockerill Sambre could enlarge its shareholder base.

There were plans earlier in the year to sell part of the state's shareholding, but the steelmaker's improved financial position led the authorities to consider a capital increase.

Australia unhappy over Chase Corp delisting

THE NATIONAL Companies and Securities Commission, Australia's corporate watchdog, said it is unhappy with plans by Chase Corp, the New Zealand property and investment group, to delist its shares on the Australian Stock Exchange, Reuters reports.

Mr Ray Schoer, the Commission's executive director, said the delisting could disadvantage shareholders in Australia because some information on the company might not be available.

"Their decision to delist in Australia means they will no longer be subject to Australian rules which require companies to disclose information to shareholders," Mr Schoer said. He said the commission was examining the proposal and discussing it with the Australian exchange and New Zealand corporate authorities.

Chase Corp announced on Friday it wanted a delisting. It said it wished to cut costs by delisting but would retain its New Zealand listing.

The company has been disposing of assets to reduce debts and holding talks with its bankers on a moratorium.

The Australian exchange said Chase Corp shares had not been suspended, contrary to local press reports. It said questions of the stocks would continue until further notice.

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IRI looks at Banco di Roma

ISTITUTO Mobiliare Italiano (IMI), the Italian merchant bank, would be interested in taking a stake in state bank Banco di Roma as part of a wider strategy to expand its European business, according to Mr Rainer Masera, IMI director-general, Reuters reports.

He said in a newspaper interview that he had discussed "the hypothesis of an IMI minority stake in Banco di Roma, with a specific European aim" in a recent meeting with Prof Romano Prodi, president of Banco di Roma's parent holding, Istituto per la Ricostruzione Industriale (IRI).

Banco di Roma is increasing

its capital, after which IRI's present 77.38 per cent stake could fall to 65 per cent.

Mr Masera referred to speculation that Commerzbank could eventually take a stake in Banco di Roma, commenting that such a move could favour IMI's ambitions to expand in West Germany. "An opening for Commerzbank in Italy would not come without some balancing development in West Germany," Mr Masera said.

But Commerzbank said in Frankfurt the bank would only be interested in taking a stake in Banco di Roma if the state's holding fell considerably.

"Our position is very clear.

We would only be ready for such a step when Banco di Roma is not held over 50 per cent by the state," Commerzbank said.

Commerzbank is linked to Banco di Roma through a four-bank accord also including Credit Lyonnais of France and Spain's Banco Hispano-Americano.

Last month Banco di Roma denied it was holding talks with foreign banks with the aim of selling them a stake in its capital. This followed a statement by Mr Ernst-Moritz Lipp, Dresdner Bank's director-general, that Dresdner was thinking of taking a stake in an Italian bank.

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MOROCCO ROYAL DECISION IN FAVOUR OF FOREIGN INVESTORS

In an effort to facilitate foreign investments in Morocco His Majesty King Hassan II addressed the following message to the Prime Minister Dr Azzedine Laraki

Economic development has always been and still is Our major preoccupation. It is all at once the indication of our society's cultural and intellectual level and one of the dynamic agents behind its promotion and prosperity. We have come to realize early enough that regardless of how great the efforts of the State are, Our goal cannot be fully attained without the massive contribution of the private sector whose action constitutes, particularly in the form of financial investment and know-how, one of the foundations of the development We wish for.

We have also come to realize for quite some time now that this contribution of the private sector could be effective only if it were fostered and assured of a legitimate degree of success.

With this in mind, We have taken or induced the taking of numerous measures which, in their totality, constitute Our Investment Codes.

The advantages offered by these Codes are obvious inciting factors which have not failed to produce their effects.

However, in view of the scope of the advantages offered, Morocco is falling quite short of the legitimate and reasonable expectations.

This inadequacy finds its major cause in the innumerable administrative procedures which, though necessary, are so slow as to discourage the most willing and best intentioned investors. Even when complete, files remain for months in the various departments while the interested parties await in total ignorance of the outcome.

Our economy can only suffer from this procedure which goes counter to our purpose.

We, therefore, have decided to put an end to that. Henceforward, any duly constituted file consisting of an investment project shall be considered as approved by the Administration when, two months from the day of its being handed in, no action has been taken. In case the file is rejected, the administrative decision shall be duly justified.

This measure - to be implemented immediately - shall be part of the provisions of all our Investment Codes where it is to be inserted.

Meanwhile, this measure shall constitute the object of a circular issued by the Prime Minister and sent out to all the State agents. Likewise, it shall be made known to the public by all appropriate means.

HASSAN II
King of Morocco

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June 1989

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global network capable of drawing upon specialist M & A and Corporate Finance skills on a worldwide basis.

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Which explains why we're one of the top companies worldwide when it comes to instigating mergers and acquisitions. And why we've been the architects of so many successful deals.

Contact Robert Hinaman in London on 726 7191 for further information.

The Chase Manhattan Bank, N.A. is a member of TSA and IMRO.



INTERNATIONAL COMPANIES AND FINANCE

Leading US banks report mixed second quarter

By Anatole Kaletsky in New York

SEVERAL big US banks reported mixed results in the second quarter, as Chase Manhattan and J.P. Morgan suffered substantial falls in profits, while Security Pacific and First Chicago showed significant gains.

In accordance with Federal Reserve recommendations, Chase took a charge-off of \$152m, equivalent to 20 per cent of its exposure to Argentina. Most of the charge came from existing loan loss reserves and had no impact on the bank's reported earnings, but Chase added \$50m to its reserve for Third World countries.

First Chicago, the leading mid-Western bank, reported net income of \$134.4m or \$1.98 a share. Total net income was 9 per cent up on the \$122.9m reported last year, but the per share figure was down 2 per cent from \$2.02.

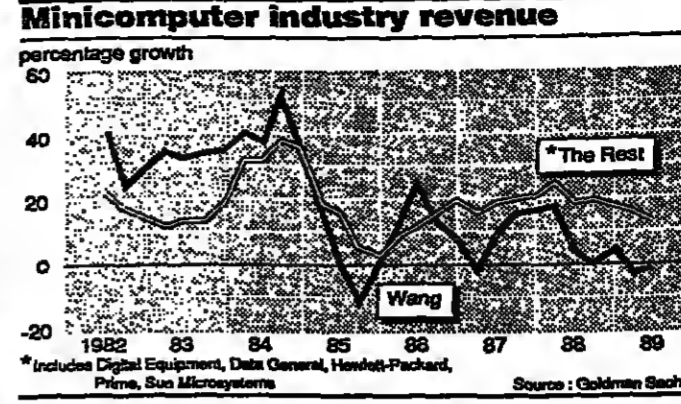
Strong GE advance confounds Wall Street

By Anatole Kaletsky

GENERAL ELECTRIC, the US industrial, broadcasting and financial services conglomerate, reported another quarter of strong earnings and revenue.

Wang's future hangs in balance Alan Cane on why a computer company's fortunes have slumped

The future of Wang, the loss-making US minicomputer manufacturer which only three years ago looked an industry leader, is now in the balance.



Minicomputer industry revenue percentage growth

Meanwhile, it is pinning its hopes on a new product family, based on advanced imaging technology, including a system for putting handwritten messages into a computer system.

Chief executive and the principal driving force behind the company during the 38 years of its existence, is now recovering from an operation for oesophageal cancer performed last week.

Advertisement for DEN DANSKE BANK. Includes text: 'This announcement appears as a matter of record only.', 'NEW ISSUE', 'JULY 1989', 'U.S. \$200,000,000', '9 per cent. Notes due 1990', 'Issue Price 101 per cent.', and lists of participating banks like New Japan Securities Europe Limited and Bankers Trust International Limited.

Videotron finds buyers for UK arm

By Robert Gibbens in Montreal

VIDEOTRON, Canada's second largest cable TV group, has identified a number of European investors to buy part of its 90 per cent interest in Southampton Cable of the UK.

Alcoa ahead but growth slows

By Karen Zagor in New York

ALUMINUM Company of America (Alcoa), the world's biggest aluminium producer, has reported another increase in second quarter profits, revenues and output, although the rate of growth has slowed.

Strong dollar hurts NCR profit

By Karen Zagor

NCR, the US computer maker with particular strength among retailers and financial services, has reported a small decline in second quarter income despite an increase in revenues and per-share earnings.

Surge at Cara Operations

By Robert Gibbens

CARA OPERATIONS, the Canadian food services group, registered a 23 per cent gain in the first quarter to June 25.

Advertisement for Novo-Nordisk a/s. Includes text: 'To Shareholders of Novo-Nordisk a/s', 'The merger of Novo Industri A/S and Nordisk Gentofte A/S will result in the following changes with regard to the existing B Shares in the two companies:', and lists of dates and share exchange details.

High interest expenses hit WR Grace

By Robert Gibbens

WR GRACE, the US specialty chemicals group, suffered a decline in second quarter profits but remains optimistic about the full year.

Offshore oil industry

The Financial Times proposes to publish a Survey on the above on 5th September 1989

At the halfway stage net income from continuing operations declined to \$74.9m or 88 cents, compared with \$86.9m or \$1.01 on sales \$2.9bn, up from \$2.74bn.

Advertisement for OMRON TATEISI ELECTRONICS CO. Includes text: 'OMRON TATEISI ELECTRONICS CO.', 'Advised has been received from Tokyo that payment of a Cash Dividend of Yen 8.00 per share has been made for the six months period ending 31st March 1989.', and lists of agents in various countries.

INTERNATIONAL COMPANIES AND FINANCE

Putting rationalisation to the test

Haig Simonian on the sale of a Landesbank to Hesse savings banks

It may not be the sale of the century, but a plan by the Government in the West German state of Hesse to sell its 50 per cent stake in Hesse's Landesbank to the state's savings banks...

Much more serious, however, is the central problem of overall control and vision. "If there are no clear lines of command, then all the synergies will go to waste..."

The push has to come from the top, agrees Mr Hans Peter Linn, the chief executive of Bayerische Landesbank. He, like many senior colleagues, maintains that the expertise in Germany's public sector bank...



WEST GERMAN PUBLIC SECTOR BANKS FACING CHALLENGE OF COMPETITION

ing system needs to be centralised in a model more akin to that of the country's big universal banks. One Landesbank official notes: "Even Deutsche Bank, which is so often seen as the paragon of German banking, is thinking about changing its decentralised structure..."

But while all the pieces of the financial services conglomerate are there, will it work? Many bankers think not. "You can have all the bricks, but that doesn't mean you can build a house..."

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June 1989

L'OREAL

The Ordinary General Meeting of Shareholders of L'OREAL was held on June 23, 1989, with Mr. Lindsay OWEN-JONES, Chairman and Chief Executive Officer, presiding. The Meeting approved the accounts for 1988. Total sales managed amounted to FF 30 billion and consolidated sales to FF 24,445 million.

Rand Mines' gold losses nearly double

HIGHER COSTS and lower production increased the overall losses of Rand Mines' four operating gold mines during the June quarter despite a small rise in the average rand price of the metal. The four South African mines as a whole suffered an after-tax loss of £20.8m (£7.7m), an increase of 82 per cent on the March quarter's loss and heightening the prospect of at least one mine closure.

Table with 4 columns: Gold produced (t), After-tax profit (£m), Earnings (cents per share), and Dividend (cents per share). Rows include Blyvoor, Durban Deep, ERPM, and Harmony.

Tight margins hit Laws

LAW'S International Holdings, the new Bermuda-registered holding company for Hong Kong-based Laws Fashion Knitwear, has reported disappointing results for the year to March, with profits after tax and minorities at HK\$150.4m (US\$19.8m) - a drop of 88.7 per cent.

GRANVILLE SPONSORED SECURITIES

Table with 4 columns: High Low, Company, Price, Change. Lists various securities like Anglo, BHP, and British Petroleum.

Granville & Co. Ltd., 10 Levee Lane, London EC3R 8EP. Telephone 01-421 1212. Member of ISA.

I.G. INDEX LTD., 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-628 7233/5699. AN AFRD member. Reuters Code: IGIN, IGI0.

ZENTRALSPARKASSE UND KOMMERZIALBANK WIEN. Floating Rate Subordinated Notes Due 1991. Interest Rate 9% per annum. Interest Period 17th July 1989 to 17th January 1990. Credit Suisse First Boston Limited Agent Bank.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN YAMAICHI SECURITIES COMPANY, LIMITED. EDR holders are informed that Yamachi Securities has paid a dividend to holders of record March 31, 1989.

Issue of up to £250,000,000 Floating Rate Notes 2000. ABNEY NATIONAL BUILDING SOCIETY. (Incorporated in England under the Building Societies Act 1974) of which £150,000,000 is being issued as the Initial Tranche.

Midland Bank plc. U.S. \$750,000,000. Unrated Floating Rate Primary Capital Notes. Notice is hereby given that EBC Amro Bank Limited has resigned as Agent Bank with effect from the date hereof.

Midland International Financial Services B.V. Guaranteed Floating Rate Notes due 1998. Notice is hereby given that EBC Amro Bank Limited has resigned as Agent Bank with effect from the date hereof.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN YAMAICHI SECURITIES COMPANY, LIMITED. EDR holders are informed that Yamachi Securities has paid a dividend to holders of record March 31, 1989.

سويكا من الاعمال

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, July 17, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100), and corresponding exchange rates for various countries including Afghanistan, Albania, Algeria, etc.

Special Drawing Rights July 14 1989 United Kingdom £1.27265 United States \$1.27383 Germany West 2.40590 Japan Yen 177.499 European Currency Unit Rates July 17 1989

Abbreviations: (a) Free rate; (b) Commercial rate; (c) Controlled rate; (d) Special imports; (e) Financial rate; (f) Export rate; (g) Non-commercial rate; (h) Business rate; (i) Official rate; (j) Official rate; (k) Market rate; (l) Market rate; (m) Market rate; (n) Market rate; (o) Market rate; (p) Market rate; (q) Market rate; (r) Market rate; (s) Market rate; (t) Market rate; (u) Market rate; (v) Market rate; (w) Market rate; (x) Market rate; (y) Market rate; (z) Market rate.

INTERNATIONAL CAPITAL MARKETS

Unsecured loans oversold in wake of bid for BAT

By Norma Cohen

THE HOSTILE £128m bid for BAT Industries has sent the price of the company's unsecured loan stock down sharply, along with prices of other similar securities for UK corporations as jittery investors shed positions, fearing the credit risk stemming from a break-up of the company.

with the spread over the UK Treasury's 1 1/2 per cent stock due 2004/2008 rising to 185 basis points. However, dealers said that sovereign, supra-national and greenwell loan stocks remained stable.

and so-called priority borrowings to less than 45 per cent. While such covenants have not been widely exercised since the precedent has been for borrowers to negotiate with the bond trustee and stockholders.

HK setbacks for Bank of China

CHINA'S POLITICAL turmoil has caused big setbacks for the Hong Kong branch of Peking's Bank of China, forcing the group to scale down development plans for the next two or three years, according to Reuters.

years, and now has 300 branches and 11,000 staff in Hong Kong. In April it had about 22 per cent of Hong Kong's total deposits, which stood at HK\$94.5bn (£11.2bn).

40 per cent," an official said. The current ratio is closer to 55 to 45 per cent.

Wardley, the merchant banking arm of the Hongkong and Shanghai Banking Corp. is to buy from Thomson McKinnon Securities the outstanding 33 per cent shareholding in Wardley-Thomson, the securities and futures brokerage.

The Bank of China has been one of Hong Kong's fastest-growing financial institutions since China adopted its open-door economic policy a decade ago. Ambitious expansion has turned the bank into the largest banking organisation in the colony after Hongkong and Shanghai Banking.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns: US DOLLAR STRAIGHTS, YEN STRAIGHTS, DEUTSCHE MARK STRAIGHTS, CONVERTIBLE, and various bond listings with interest rates and yields.

TRADE INDEMNITY THE CREDIT RISK MANAGERS 01-739 4311 SPECIALIST CREDIT ANALYSIS

LKB Baden-Württemberg Finance N.V. Amsterdam, The Netherlands DM 300,000,000 Floating Rate Notes 1989/1999 Guaranteed by Landeskreditbank Baden-Württemberg, Karlsruhe

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRS) IN OKUMURA CORPORATION Further to our notice of March 23, 1989 EDR holders are informed that Okumura Corporation, has paid a dividend to holders of record March 31, 1989.

U.S. \$600,000,000 Banque Nationale de Paris Partly Paid Registered Floating Rate Notes Due 1995

Nationwide Anglia £100,000,000 Floating Rate Notes Due 1998 (Issued by Anglia Building Society)

Tenneco Inc HUNTINGTON, TEXAS The 1989 third quarter dividend of 76¢ per share on the Common Stock will be paid September 12 to stockholders of record on August 11. About 154,000 stockholders will share in our earnings.

صوت من الاجل

INTERNATIONAL CAPITAL MARKETS

Association of Futures Dealers expels Capcom

By Katharine Campbell

THE ASSOCIATION OF Futures Dealers and Brokers yesterday announced the expulsion of Capcom Financial Services...

authorities' attention last year when managing director Mr Syed Ziauddin Ali Akbar was arrested in connection with drug and money laundering charges...

Great Western variable rate note aimed at Asia

By Norma Cohen

GREAT WESTERN Financial Corporation, holding company of a California-based savings and loan, is issuing a four-year \$200m variable rate note targeted for placement in Asia...

In that case, the alternate margin will be 1/2 per cent, but investors cannot be guaranteed a buyer for their securities at par...

Treasuries decline on Fed policy confusion

By Janet Bush in New York and Katharine Campbell in London

US TREASURY bonds suffered modest losses yesterday amid concern that the easing moves already completed by the US Federal Reserve do not justify the current low level of yields.

GOVERNMENT BONDS

At mid-session, short-dated bond issues were quoted as much as 1/2 point lower, while the Treasury's benchmark long bond stood 1/2 point below Friday's close for a yield of 8.1 per cent.

The dollar gave little overall direction, holding towards the top of its range against the yen but weakening against the D-Mark.

IBM Finance taps Euro-sterling sector for £100m

By Andrew Freeman

WITH IMPECCABLE TIMING, IBM International Finance tapped the Euro-sterling sector and coincided with a buoyant session on the UK government bond market.

INTERNATIONAL BONDS

Securities with an 11 1/2 per cent coupon and were priced at 101.225 to yield 9 1/2 per cent over the equivalent gilt-edged security.

Rival syndicate managers expressed their approval as the bonds traded strongly inside 1/2 per cent underwriting fees, touching less than 0.56 bid at best before running into some profit-taking.

BENCHMARK GOVERNMENT BONDS

Table with columns: Country, Coupon, Bid Date, Price, Change, Yield, Week, Month. Includes UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

London closing, denotes New York morning session. Yields: Local market standard. Prices: UK, US in %; others in decimal.

phrey Hawkins testimony on Thursday will also be watched. Then Mr Alan Greenspan, Fed chairman, will outline his assessment of economic and monetary policy.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner. Includes Boreover, STRENGTH, IBM Int. Finance, CANADIAN DOLLARS, US DOLLARS, YEM, SWISS FRANCH, Malaysia Paper Co.

ing being less than many had expected.

The CPI is expected to have risen by around 0.4 per cent last month compared with a 0.6 per cent gain in May, while the trade deficit is forecast at around \$9.0bn in May compared with \$8.8bn in April.

UK GOVERNMENT bonds failed to sustain the day's highs, closing just a quarter of a point firmer after a mixed session and poor liquidity.

The deal was well received and traded at less than 1.00 bid, inside underwriting commissions of 1 1/2 per cent.

from a range of investors. The proceeds were wrapped, but the Bankers Trust official was unwilling to elaborate.

RETAILING

The Financial Times proposes to publish this survey on:

12th September 1989

For a full editorial synopsis and advertisement details, please contact:

Jonathan Wallis on 01-873 3565

or write to him at: Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Monday July 17 1989, Index No., Day's Change, etc. Includes CAPITAL GOODS, BUILDING MATERIALS, CONTRACTING, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Mon Jul 17, Day's change, etc. Includes British Government, 5 years, 10 years, etc.

LONDON MARKET STATISTICS

Table with columns: RISES AND FALLS YESTERDAY, British Funds, Industrial, Financial and Properties, etc.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Price, etc. Includes Abbey National, British Steel, etc.

RIGHTS OFFERS

Table with columns: Issue, Amount, Price, etc. Includes British Steel, etc.

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Price, etc. Includes British Steel, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Call, Put, etc. Includes British Steel, etc.

To Advertise on the ARTS and DIVERSIONS pages of the WEEKEND F.T. please ring Julia Carrick on 01-873 4664 or Jane Emma Peerless on 01-873 4064

UK COMPANY NEWS

Tomkins tops expectations with £65.1m

By John Thornhill

TOMKINS, the industrial holding company, lifted pre-tax profits by 38 per cent from £47.09m to £65.11m in the year to April 28. The result was ahead of most expectations, accounting for a 11p gain in the share price to 266p.

The group, which has been built up from a sleepy nuts and bolts manufacturer into an acquisitive Hanson-style conglomerate, has recently looked as though it would find it difficult to expand further by acquisitions because of an unresponsive stock market. Last summer's £85m rights issue to finance the acquisition of Murray Ohio, for example, was taken up by only 60 per cent of shareholders.

Nevertheless, Mr Gregory Hutchings, chief executive, said yesterday that Tomkins would be able to afford a cash purchase of over £30m as it currently had no gearing and strong cash flow.

But he stressed that although Tomkins was continuing to look for acquisitions in the US and the UK it did not see many opportunities at the moment at the right price.

The company, which has interests ranging from Smith & Wesson revolvers to reinforced toe-caps and lawnmowers, increased turnover by 76 per cent to £560.44m (£312.31m).

Murray Ohio, the US lawnmower and bicycle manufacturer which Tomkins bought in August, contributed for the

first time on an acquisition-accounting basis.

This purchase was largely responsible for more-than-doubling operating profits from Tomkins' interest in professional, garden and leisure products. The division - which also includes Smith & Wesson, the US firearms manufacturer, and Hayters, the UK mower business - was the strongest contributor, making profits of £26.5m (£10.5m) on turnover of £383.2m (£28.5m).

Murray sells over 1.25m mowers annually and supplies almost one fifth of the US bicycle market of 10 million units. Tomkins said it had already made substantial capital investment in Murray and this would raise manufacturing efficiencies and improve profitability.

Of the other divisions industrial products contributed trading profits of £8.5m (£5.2m) on sales of £54.5m (£49.3m); fluid controls £13.9m (£12.5m) on £79.2m (£72.6m); and services to industry £12.5m (£9m) on £13m (£11.5m).

"We remain confident about Tomkins' ability to outperform and optimistic that the current year will again produce impressive results," Mr Hutchings said.

Earnings per share on a fully-diluted basis grew by 25 per cent to 24.5p (18.5p adjusted). A final dividend of 4.75p brings payments for the year to 6.75p (4.45p adjusted). See Lex

Anglo lifts its stake in Coalite via block purchase

By Ray Bashford

ANGLO UNITED yesterday increased its holding in Coalite as the £478m takeover battle between the competitors in the fuel distribution business moved into its final stage.

The offer is due to close next Thursday and the scene is set for a close finish with the decision of about 10 institutional shareholders, which control about 35 per cent of the capital, crucial to the outcome.

Anglo United boosted its shareholding to 3.4 per cent of Coalite's capital through the purchase of a block of shares representing 2.8 per cent of the capital.

The 2.8m shares were purchased at 470p, compared with the cash offer price of 475p which was lifted on July 7 from 455p.

The revised offer also included a cash and share and a share and loan note alternative.

The block is believed to have been purchased from one of Coalite's larger shareholders which has retained part of its investment.

With 100 institutions controlling about 82 per cent of the capital, both companies have concentrated their politicking on institutional presentations.

Before the announcement of Anglo United's share purchase, Mr Eric Varley, Coalite's chairman, again urged shareholders to reject the offer.

"Coalite's share price in the future will be influenced by its strong prospects and sound strategy underpinned by the increased dividend which has been forecast," he said.

Under the heading "Coalite is better than Anglo United", Mr Varley contrasted Coalite's 13 years of increased profits and dividends with Anglo United which "has failed to pay or declare dividends in two out of the last six financial periods because of its erratic record."

Portrait of a long dynasty of gentlemen

Edward Sussman on the Cayzer family and its old-fashioned approach to business

IN THE private dining room of Cayzer House, surrounded by paintings of the old family steamships, Mr Peter Buckley smokes a good cigar and explains why today's takeover battles are "uncivilised".

"All they care about is making their stock go from 10 to 20. They don't give a damn what business they're in," explains the chief executive of Caledonia Investments, the publicly-traded investment group controlled by the Cayzer family. "I'm not saying it isn't important for us to go from 10 to 20, but we have a different philosophy."

But can this "different philosophy" stand the rigours of today's unabashed aggressiveness?

Mr Buckley thinks it can. "It's better to do the whole thing privately, through the boardroom in a civilised way, instead of in an aggressive, uncivilised way. You can look awfully pedantic when you see these boys firing away, but, by God, can they crash."

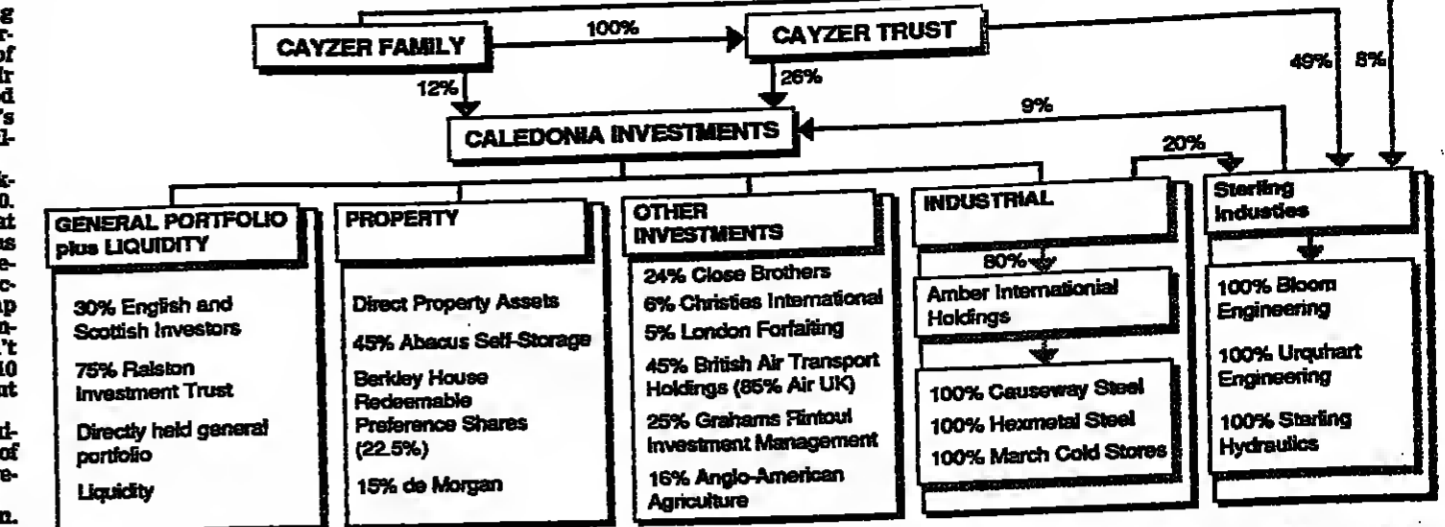
Such is the distinctive strategy borne of more than a century of continuous and vast family wealth. It is currently up against its stiffest test in decades, as Caledonia is faced with the task of reinvesting the £427.5m it pulled out of British & Commonwealth Holdings, the financial services company, two years ago.

By the standard of wealth preservation, Caledonia has been doing fairly well so far, although it is far from performing at the pace to which some in the City have become accustomed. Net asset value has grown just 5 per cent from 498p to 525p since its break from B&C, and its shares performance is slightly below that of the FTSE All-share Index.

For the most part, though, the crucial investment choices have yet to be made.

About 60 per cent of its £500m in net assets remain in cash and B&C preference shares, scheduled to be redeemed in yearly instalments through to 1991. And as long as interest rates remain high, there will not be much pressure on Caledonia to turn away from cash.

"It's in the very early days," says Graham Moyses, who follows Caledonia for Kleinwort Benson. "Investing now is an act of faith in the management." Adds Chris Smith of



Barclay de Zoete Wedd: "It's too early to say if it is a success or not. Now it's just a surrogate to cash."

Of course, there is no rush at Caledonia to please the analysts with dramatic action. As the Cayzers are the first to point out, they are investing for the long term. And the long term means something more to a Cayzer than is usual in the City - perhaps three or four generations instead of three or four years.

The family tree and crest, the imposing ancestral portraits, even a privately printed family history, are all taken seriously by the Cayzers, and not just as devices used by an upstart investment house trying to impart an air of tradition.

Equally genuine is the conservative approach to managing money that such symbols imply. Decisions are made cautiously and slowly. Or as Lord Cayzer, 82-year old family patriarch and Caledonia chairman, put it in the most recent annual report: "We do not feel the need to hasten for the sake of doing so."

Until recently, the family was best known as the 49 per cent controlling interest behind B&C. Lord Cayzer served as chairman, Mr Buckley (great-grandson of Sir Charles Cayzer) as deputy chairman. Enter Mr John Gunn, originally brought in by the Cayzers to bolster the B&C management.

It did not take much time for the servant to become master. Mr Gunn dismantled B&C's broadly based interests and transformed B&C into an acquisitive financial services group, at the same time diluting Cayzer family control with the issue of new paper.

Before long, Mr Gunn was chairman and no longer answering to just the Cayzers. "He did a U-turn," says an observer close to the family, suggesting that Mr Gunn kept

his intentions from the Cayzers until it was too late for them to change matters.

But in June of 1987, the family signalled it was retaking the initiative. Plans were announced to sell B&C most of the remaining Caledonia interest. The Cayzers would leave the B&C board and transform Caledonia from a 90 per cent B&C shell into an actively managed investment group.

"Some people have even gone so far as to suggest that the Cayzer dynasty is at an end - it is not really quite so," asserted Mr Buckley in January 1987, foreshadowing the announcement.

With B&C's shares among the worst performing in London over the past two years, Caledonia's decision to leave B&C seems, with hindsight, to have been a brilliant stroke.

"The crash was absolutely on time as far as we were concerned," says the Hon Charles Cayzer, one of three executive directors at Caledonia.

Today at family headquarters - transplanted following the B&C sale from the St Mary's Axe Cayzer House to a low-key, riverside building given the same name - are the registered offices for some 30 corporations linked by a maze of holding companies. Overriding everything is the very private Cayzer Trust, held for the plethora of descendants of Sir Charles Cayzer.

It was Sir Charles who forged the family fortune with the small shipping line he started in 1878, formed after the head of the giant British India Shipping refused to make him a junior partner in a local trading subsidiary. With borrowed money, Sir Charles (then just plain Charles) had six steamers commissioned and formed two companies - Cayzer Irvine & Co and Clan Line Association Steamers.

That division, separating the ships Sir Charles had a personal stake in from those he

was merely an agent for, was just the first of many such manoeuvres to shelter the private family purse from public family dealings.

The modern Cayzer manoeuvring is sometimes a good deal more elaborate. For example, in March of 1988 Caledonia sold Urquhart Engineering, a public holding company for specialised engineering businesses.

The Cayzers knew Sterling would go for the deal - Caledonia owns 20 per cent of Sterling, the Cayzer Trust 49 per cent and family members another 8 per cent. Sterling, in turn, holds an 8.6 per cent interest in Caledonia, although at the time of the sale that interest was once-removed through a 50 per cent holding in a company called Cretware Investments (the balance of whose equity, at the time, was held by the Cayzer Trust).

So complicated are the Cayzer dealings that Mr Buckley jokes that he sometimes has trouble keeping track of the precise status of the innumerable holdings, although without doubt the current centre-piece is the rejuvenated Caledonia, with about 47 per cent of the company's equity controlled by the family.

This large stake, together with the influence of shareholders close to the Cayzer family and the broad authority which allows Caledonia to repurchase its own shares, makes the group look largely invulnerable to the threat of takeover.

But there is one obvious wrinkle in the Caledonia fold - Sir Ron Brierley, the acquisitive New Zealand, who controls a 10.3 per cent holding through his IEP Securities. That stake has doubled in the past two years and with a market value of about £36m, it is one of Sir Ron's largest UK holdings. IEP would only say that the cash-heavy Caledonia represents "good value".

Indeed, the Caledonia share price is discounted at 30 per cent against the group's conservatively accounted net asset value. It's likely that the break-up price would bring a handsome premium to current shareholders, but that eventually would require a major rift in the Cayzer family. There is no evidence of this.

Equally unlikely is the chance of the Cayzers again relinquishing extensive control to non-family members. Only one of Caledonia's five top directors (Mr David Kinloch) is not a family member, and he was brought over from B&C to help Caledonia recreate the pre-John Gunn equation.

Aside from this general harkening back to the past, few clear directions are emerging. A 45 per cent stake in British Air Transport, parent company of Air UK, and a 5.1 per cent stake in London Forfailing, which Mr Buckley chairs, come straight from the old B&C portfolio.

Other Caledonia favourites are small industrial concerns (Ambersteel, Causeway Steel, Hexmetal Systems & Services), property (Berkeley House, Abacus Self Storage, de Morgan Group) and merchant banking (Close Brothers), Halston, a 75 per cent-owned investment trust, has been set up to handle smaller stakes.

Just where the rest of the Caledonia cash pile will end up, is probably as much of an open question for the Cayzers as anyone else.

Mr Buckley says that no investment area is beyond possibility, and with the Cayzer penchant for the safety spruce from diversity, new ventures are likely to come from many directions. Do not, however, expect any dramatic, ungentlemanly moves. Such would not be in keeping with one of the Caledonia chief executive's favourite mottos: "The tortoise sometimes gets to the finish line before the hare."

UCL cancels its final dividend

Mr Nick Drescher, chairman of UCL Group, told the annual meeting that the board felt it was unable to recommend payment of the final dividend of 2p.

The payment was proposed at the time of the preliminary results announcement in April.

The USM-quoted computer systems supplier, saw profits for 1988 plunge from £149m to just £105,000. The downturn, which occurred mainly in the second half, continued in the first few months of the current

year.

Mr Drescher said that the company's position had deteriorated and predicted that the coming interim results would show only a small profit before tax and that if trading continued at current levels it was unlikely that the results would be materially different from last year's £106,000.

Turnover last year rose 32 per cent up to £21.39m. A 2p dividend payment on account of 1988 would have been shorted by 1.4p per 5p share.

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D. Leighton Davies, Chairman

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FI-GROUP PLC

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Abbey National issued shares by mistake

By Clare Pearson

Abbey National, the former building society which floated on the stock market last week, said yesterday 19,521 of its members had been issued with two lots of free shares by mistake.

These members were among the 25,000 who had earlier been issued a certificate for their free shares, but not their allotment of the extra shares for which they were invited to apply in the flotation.

Abbey said all people affected would receive letters requesting them to return the second lot of free shares. Any problems arising from the error would be dealt with directly by Lloyd's Bank registrar's department.

Abbey's share price eased 2p to 145p yesterday. A wave of selling from members is expected this week.

Berk expansion brings quotation nearer

Berk, an international trader and supplier of specialty chemicals, has acquired KWR Chemicals, previously a member of the Pillar Building Products Group.

Mr Iwan Thomas, new chairman of KWR and chief executive of Berk Group, said the merger, along with the two smaller acquisitions made in the last six months, would substantially increase turnover from £25m to around £50m.

Berk, originally known as FW Berk and re-established last year following a £6m management buy-out from Stetley, intends to strengthen its position by further acquisitions. Mr Thomas said he was certain that the strategy could accelerate Berk's timing in seeking a stock market listing.

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July, 1989

IRELAND

U.S.\$50,000,000

Floating Rate Notes due July 1992

The Libor ECU used for the calculation of the coupon maturing on 10th August 1992 is 2.8678%. After approval of the 1989 accounts by Current Meeting of Shareholders the net consolidated profit (before tax) of the Group is FF£4,844,000,000 after inflation adjustment on the financial profits of the subsidiaries operating in Latin American countries. It will include an interest rate of 10.27%.

As the applicable T.M.O.E. is 0.25% resulting in a minimum coupon less than 10.27% the first formula is applicable.

Therefore the coupon payable on August 10, 1992 will be ECU 21.87 per three participant of ECU 1,000.

Bank of Tokyo International Limited
Reference Agent

UK COMPANY NEWS

Maxwell not to buy more De La Rue

By David Waller
SCITEK, the Israeli hi-tech company 27 per cent owned by Mr Robert Maxwell's Mirror Group Newspaper, said yesterday that it has no further plans to acquire any more shares in De La Rue despite falling short of its buying target in a market raid on Friday.

Imry Merchant accepts £314m consortium bid

By Vanessa Houlder
IMRY MERCHANT Developers, the property developer behind the controversial office development at the Shakespearean Rose Theatre, yesterday announced that it had agreed to a £314m takeover bid.

George Soros. It was the lead investor in the consortium that bought Estates Property Investment Company in 1988. Marketchief owns, has an interest in or has received irrevocable undertakings in respect of 8 per cent of Imry's share capital.

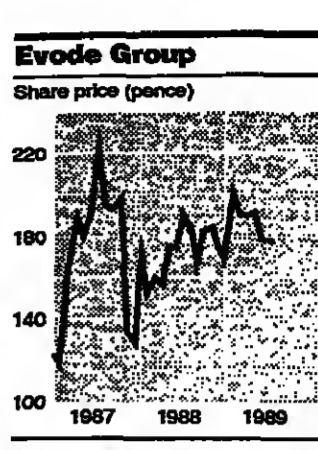
The price is a premium of 21 per cent over Imry's share price of July 5, the day before Imry announced it had received an approach. The Imry Group, which was formed from the merger of Imry International and City Merchant Developers in March 1988, had net assets of £371m, equivalent to £22.7p per share, on March 31 this year.

Acquisitions limit Evode's rise to 12%

By Clare Pearson
INTERIM PRE-TAX profits at Evode, the plastics and chemicals group, were held back by borrowings to finance acquisitions incurred at this year's higher interest rates. Yesterday, the group announced a 12 per cent advance to £4.46m in the six months to April 30.

At the trading level, profits rose 27 per cent to £5.8m during a period in which the group was involved in a number of changes and developments culminating in the success in May of its £87m all-paper offer for Chamberlain Phipps, the shoe components and adhesives concern.

(£1.21m). There was a £12,000 loss from other operations. About £12.5m was realised from the sale of land and of the UK automotive after market business of the Supra Group. After a 29.5 per cent (37 per cent) tax charge, fully-diluted earnings per share came out at 6.67p (8.07p). The interim dividend is 1.62p (1.42p).



Evode Group Share price (pence) 1987 1988 1989

Property disposals boost Cowan de Groot to £2.3m

EXCEPTIONAL GAINS of £1.9m relating mainly to the disposal of freehold premises, helped pre-tax profits at Cowan de Groot, which now describes itself as an industrial holding group, want to £2.32m, against a restated £198,000.

Extraordinary profits totalled £2.09m (£170,000), of which £1.46m (£268,000) was attributable to disposals. Earnings rose to 5.7p (0.4p) per share, net assets were up to 51p (38.5p) per share.

Ellis & Everard paying up to £5m for Dimex

Ellis & Everard, the UK's leading independent chemical distributor, has acquired Dimex International, a Solihull-based company which formulates and supplies performance chemicals.

French stake for Marling

By Edward Sussman
MARLING INDUSTRIES, maker of industrial textiles and safety products, emerged as the buyer of a 23.6 per cent stake in Thomas French, the curtain styling and home improvements company.

In late June, Si indicated it had found a buyer for the Thomas French stake at 110p per share, against yesterday's 111p. Under a pre-emption agreement, Si was obliged to offer the stake first to the French family, which already controls 40 per cent of the company.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corres. pending dividend, Total for year, Total last year. Includes Astra Holdings, Bogod-Petepah, Bogod/Rivoting, Cowan de Groot, Evode, Tomkins.

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Unquoted stock. †Third market. ‡Proposed scrip alternative. *Adjusted for share consolidation.

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Norfolk Capital

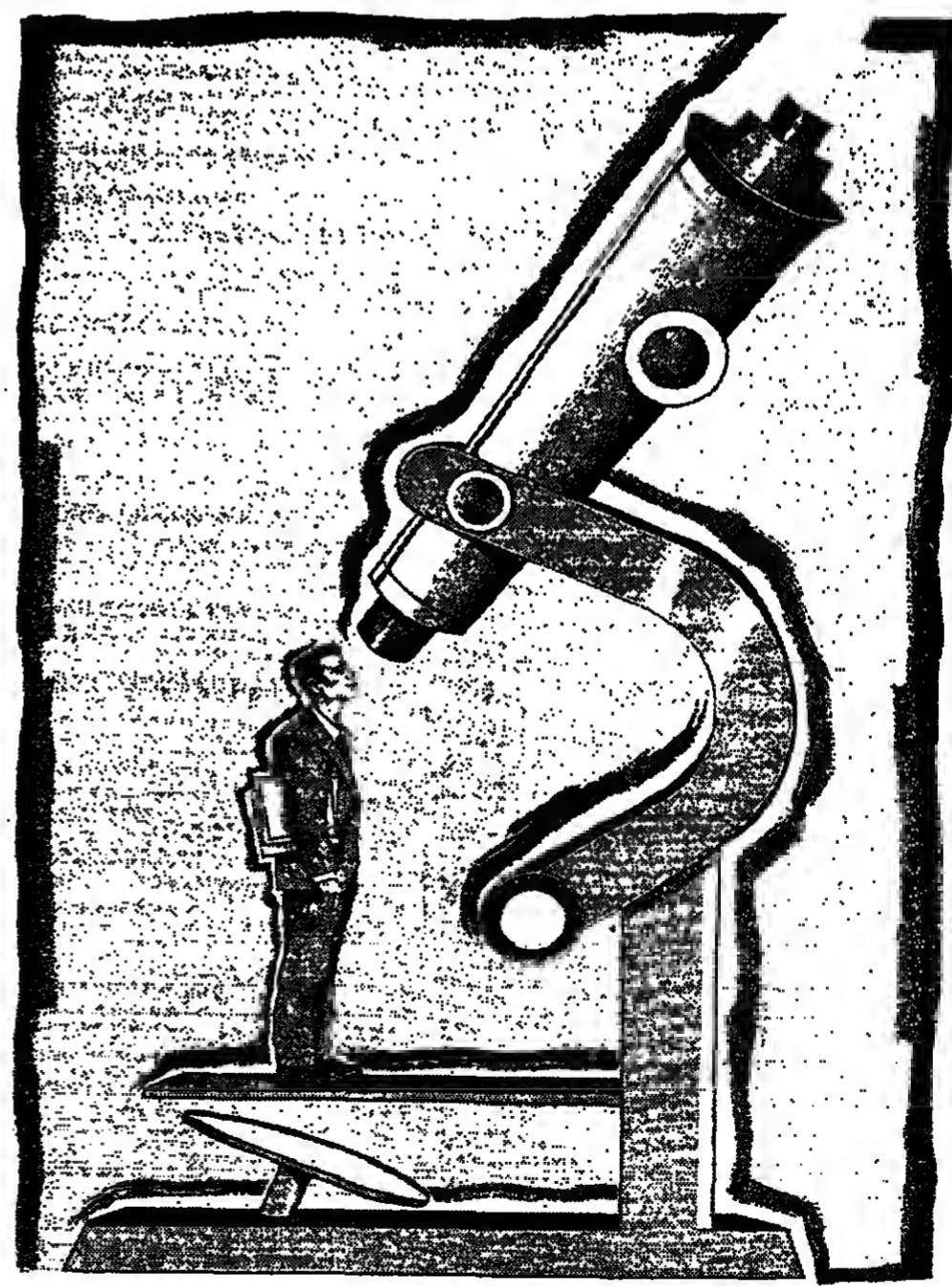
Norfolk Capital Group, the hotel company, does not intend to make an offer for Parkdale Holdings, the property and leisure group. It was announced on Tuesday that they were in preliminary discussions.

BOARD MEETINGS

Table listing board meetings for various companies including Devonian Far Eastern, Edinburgh Oil & Gas, Electronic Machine, etc., with dates from July 18 to July 27.

WHEN WE HOLD AN AUCTION WE DON'T JUST PUT A COMPANY UNDER THE HAMMER.

To us, selling a company is more than simply a controlled auction (although we've had our fair share of these). At Samuel Montagu we are sensitive to all the underlying issues and understand that selling a business in the wrong way can have a damaging effect not only on the price realised by the vendor, but also on the company itself and its management.



Samuel Montagu & Co. Limited

Part of Midland Montagu, the international and investment banking arm of Midland Group. 10 Lower Thames Street, London EC3R 6AE. Telephone: 01-260 9000. A member of The Securities Association.

ABBEY NATIONAL NOTICE to the holders of those of the £120,000,000 SUBORDINATED FLOATING RATE NOTES DUE 1995 and £42,000,000 AMORTISING SUBORDINATED FLOATING RATE SERIAL NOTES DUE 1997 presently outstanding (together, the "Subordinated Notes") formerly of ABBEY NATIONAL BUILDING SOCIETY (the "Society") but now of ABBEY NATIONAL plc ("PLC")



NOTICE

to the holders of those of the £250,000,000 FLOATING RATE NOTES 2000...

formerly of the "ANTS Notes and Bonds" (together, the "ANTS Notes and Bonds")

constituted by Trust Deeds (the "Trust Deeds"), of which the principal is dated 15th October, 1985...

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF THE ANTS NOTES AND BONDS THAT:-

- (i) the transfer of the business of the Society to PLC, its successor pursuant to Section 97 of the Building Societies Act 1985...

The ANTS Notes and Bonds and the 1989 Bonds remain listed on the same stock exchanges as those on which they were listed prior to the vesting date...

Copies of the Trust Deeds, including the Nineteenth Supplemental Trust Deed referred to in (iv) above are available for inspection and copies of the Terms and Conditions of each series of the ANTS Notes and Bonds as modified to reflect the substitution of ANTS in place of the Society as principal debtor...



NOTICE

to the holders of those of the £200,000,000 11 PER CENT. BONDS DUE 1999 and ECU 75,000,000 9 PER CENT. NOTES DUE 1992

constituted by Trust Deeds (the "Trust Deeds"), of which the principal is dated 4th May, 1989...

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF THE ANTS NOTES AND BONDS THAT:-

- 1. the transfer of the business of the Society to PLC, its successor pursuant to Section 97 of the Building Societies Act 1985...

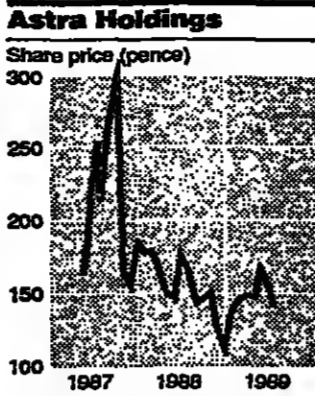
The ANTS Notes and Bonds remain listed on the same stock exchanges as those on which they were listed prior to the vesting date but, with effect on and from such date, as securities of ANTS.

Copies of the Trust Deeds are available for inspection and copies of the Terms and Conditions of each series of the ANTS Notes and Bonds as modified to reflect the substitution of ANTS in place of the Society...

Dated 17th July, 1989. Issued by: ABBEY NATIONAL plc and ABBEY NATIONAL TREASURY SERVICES plc.

Astra hits £9.5m and makes £36m cash call

By Clare Pearson ASTRA HOLDINGS, munitions and fireworks manufacturer, yesterday announced a £36m one-for-two rights issue...



Astra is paying £1m on completion and £18.23m in repayment of inter-company debt.

At the same time, Astra unveiled pre-tax profits for the year to end-March of £9.5m (£8.2m) scored on turnover of £96.2m (£48.14m).

The benefits of BMARC's tax losses cut the tax charge to 15 per cent (42 per cent). Earnings per share, adjusted for share consolidation, were 14.7p (11.9p).

Mr Roy Schneider, Hunter Murray co-founder, said no bid for Windsor was expected at this time adding that the company intended to build its stake to 29 per cent...

While Mr Schneider said Hunter Murray intended to offer "constructive support" to the management of Windsor, he criticised the insurance brokers for turning in a poor performance.

Windsor, which has made a number of acquisitions in the past few years, incurred a £103,000 loss before tax in the year to the end of September 1988.

Mr Schneider said disgruntled shareholders in Windsor had asked Hunter Murray to acquire options. Hunter Murray said it believed it is now controlled the largest stake in Windsor.

Windsor could not be reached for comment.

UK COMPANY NEWS

Further losses at Cambrian offshoot

By Richard Waters CAMBRIAN & General Securities, the investment trust which was formerly a vehicle of convicted insider dealer Mr Ivan Boesky...

The subsidiary, Bermuda-based Farnsworth and Hastings, lost £1.6m in the six months to March 31 1989 compared with the £2.9m loss it incurred a year earlier...

However, a dividend of £2.7m (nil) received during the latest period in respect of Farnsworth's 1987 profits, helped boost Cambrian's revenue.

At the pre-tax level revenue from ordinary activities was £2.3m (£1.5m) and earnings per ordinary share were 6.6p (1.6p).

The group's net asset value at March 31 was virtually unchanged from the figure reported in January...

The asset figure worked through at 142.85p for each ordinary share and 188.99p for each capital share (compared with 142.35p and 196.63 respectively at the time of the takeover...

The SEC received its 23 per cent stake in Cambrian as part of a \$100m settlement with Mr Boesky in 1986.



Lord King (left) and Sir Collin Marshall, respectively chairman and chief executive of British Airways.

70m passengers a year by the turn of the century, double its current capacity. British Airways would like to have sole use of a fifth terminal.

Nu-Swift quote questioned

By Edward Sussman

THE STOCK Exchange is to consider whether Nu-Swift, which last week agreed to sell its French fire protection interests...

Nu-Swift asked to have its listing temporarily suspended last week after it announced an agreement to sell its 83.5 per cent stake in Compagnie Centrale Sicli to Newco...

The SEC received its 23 per cent stake in Cambrian as part of a \$100m settlement with Mr Boesky in 1986.

Exchange requirements that it not be a cash company. The company has said that it intends to redirect much of its cash assets into service-related industries...

Dawson buys US dyer for £5.9m

Dawson International, the Scottish textile group, has acquired Jefferies Associates, a US commission dyer, for \$9.5m (£5.9m).

Dawson said the acquisition fitted in with its planned expansion of Dawson Consumer Products, formerly known as Consumer Products Group.

C. G. KNOWES (Chairman) M. A. WATSON (Managing Director)

Durban Roodepoort Deep, Limited

(Incorporated in the Republic of South Africa) Registered No. 01/02240/0 ISSUED CAPITAL: R2,285,000 IN 2,285,000 SHARES

Table with financial data for Durban Roodepoort Deep, Limited for 30.06.1989 and 30.06.1988.

Operating Results: Underground operations, Gold produced (kg), Revenue (R/million), Cost (R/million), Loss (R/million).

Operating Results: Sand treatment, Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

C. G. KNOWES (Chairman) E. S. CROCKER (Managing Director)

Harmony Gold Mining Company Limited

(Incorporated in the Republic of South Africa) Registered No. 06/28232/06 ISSUED CAPITAL: R10,442,225 IN 20,884,450 SHARES

Table with financial data for Harmony Gold Mining Company Limited for 30.06.1989 and 31.03.1989.

Operating Results: Ore mined (kt), Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

Operating Results: Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

Operating Results: Underground operations, Ore mined (kt), Gold produced (kg), Revenue (R/million), Cost (R/million), Loss (R/million).

Operating Results: Sand treatment, Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

C. G. KNOWES (Chairman) E. S. CROCKER (Managing Director)

Blyvooruitzicht Gold Mining Company, Limited

(Incorporated in the Republic of South Africa) Registered No. 01/02733/00 ISSUED CAPITAL: R3,000,000 IN 6,000,000 SHARES

Table with financial data for Blyvooruitzicht Gold Mining Company, Limited for 30.06.1989 and 31.03.1989.

Operating Results: Ore mined (kt), Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

Operating Results: Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

Operating Results: Underground operations, Ore mined (kt), Gold produced (kg), Revenue (R/million), Cost (R/million), Loss (R/million).

Operating Results: Sand treatment, Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

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Operating Results: Loss before taxation and State's share of profit, Taxation and State's share of profit, Loss after taxation and State's share of profit.

C. G. KNOWES (Chairman) H. G. MOSENTHAL (Managing Director)

Babcock & Brown Leasing Services, Inc.

is pleased to offer its services in structuring and arranging domestic and cross-border leases of U.S. manufactured aircraft and other equipment for use outside the United States.

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Nationwide Anglia Building Society

£250,000,000 Floating Rate Notes Due 1996 (Issued by Nationwide Building Society) Interest Rate: 13.975% p.a.

Interest Period: 17 July, 1989 to 17 October, 1989 Interest Amount per £5,000 Note due 17 October, 1989: £176.12

Interest Amount per £50,000 Note due 17 October, 1989: £1,761.23 Agent Bank: Baring Brothers & Co. Limited

GENERAL NOTES 1. All financial figures are subject to audit.

2. Interest rate is a floating rate in the quarter, compared with 9% in the preceding quarter.

3. The issued capital value for East Rand Proprietary Mines, Limited includes share premiums.

RAND MINES

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40 Holborn Viaduct, London EC1P 1AJ

For the quarter ended 30th June 1989.

Harmony Gold Mining Company Limited (continued)

Blyvooruitzicht Gold Mining Company, Limited (continued)

Durban Roodepoort Deep, Limited (continued)

East Rand Proprietary Mines, Limited (continued)

Operating Results: Underground operations, Ore mined (kt), Gold produced (kg), Revenue (R/million), Cost (R/million), Loss (R/million).

Operating Results: Sand treatment, Gold produced (kg), Revenue (R/million), Cost (R/million), Profit (R/million).

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RAND MINES

BREAKING NEW GROUND EVERY DAY

صكرا من الاجل

UK COMPANY NEWS

Losses accumulate at Moss Trust

By Vanessa Houlder

MONTHS OF uncertainty over the financial health of Moss Trust, a USM-quoted advertising agency, culminated yesterday in the announcement of revised figures for the year to August 31, which transformed the previously stated pre-tax profit of £307,000 into a pre-tax loss of £268,000.

It also announced a pre-tax loss of £1.58m for the seven months to March 31 1989. Furthermore, the company said it planned to change its name to ATP Communications, to reflect a major restructuring exercise undertaken in the last few months.

Mr John Cooper, the acting chairman, said the "unfortunate" results were the consequence of a too rapid build up, both operationally and geographically, of a group which had inadequate management resources. The group expanded from five subsidiaries to 29 by the end of 1988.

was undertaken following an investigation in February by Peat Marwick McLintock which highlighted a controversial accounting treatment in last year's figures.

About half the losses for the year to August 1988 resulted from promotional tours in the US where costs sharply exceeded expectations. Much of the remainder of the losses stemmed from bad debt provisions, previously unrecorded liabilities and a write-down of assets.

There was also an extraordinary charge of £219,000 from development, closure and relocation costs. Furthermore, some costs previously classified as deferred project expenditure have been written off. As a result, distributable reserves at August 31 were eliminated and the proposed final dividend has been cancelled.

In the seven months to March 31, the company incurred heavy losses principally due to high overheads and lack of profitable business.

It was also affected by a sharp rise in administrative expenses from £2.07m in the year to August 1987 to £3.73m in the seven months to March 31.

The auditors' report on the seven months to March 31, stated that certain subsidiaries did not maintain proper accounting records throughout the period as required by the Companies Act, although these deficiencies have since been largely rectified.

Since April the group had sold or closed its loss-making subsidiaries. The disposal programme will reduce group borrowings from £3.8m at March 31 to £1m and will increase net assets from £0.5m to £1.3m once the disposals are completed.

The continuing businesses, which contributed £173,000 to operating profit before central costs in the seven months to March 31, made a promising start to the new financial year, the group said. However, it would inevitably be some time before the group eliminated its accumulated losses and resumed dividend payments, it warned.

The suspension of the shares, which were frozen at 35p in March, will be lifted once the revised figures have been received by shareholders in a few days time.

Mr Cooper will step down at the forthcoming annual meeting after which Mr Andrew Thinkill will be appointed acting chairman.

Mr Thinkill, who founded the ATP agency which was sold to Moss Trust last August, became chief executive in March.

Moss Trust made a loss per share of 17.1p in the year to August 31 and a loss of 15.2p in the seven months to March 31, compared with a profit of 2.07p in the year to August 31.

Forwell obtains USM quote

FORWELL GROUP is joining the United Securities Market in a placing that capitalises the office interior design company at £9.15m, writes Vanessa Houlder.

Lloyds Merchant Bank announced the placing of 5.69m shares at 62p per share, which will raise £2.49m for the company.

Forwell, based in Middlesbrough, plans to use its quotation for acquisitions, particularly where this provides further geographical expansion in the UK.

In 1988, it made pre-tax profits of £905,000 (£598,000) on turnover of £8.45m (£8.58m). It is joining the market on a historic 10:1 multiple of 10.7. Pro forma net assets are £1.95m.

Dealings are expected to start on Thursday. Brokers to the issue are Hoare Govett Corporate Finance.

Summer spends initial £3.9m on training concern

By Philip Coggan

Summer International, the training and education group, has acquired IIS, an interactive video training company, for a maximum of £20m.

IIS is currently owned 57 per cent by its management and 43 per cent by Realty Group, the leisure company. In the year to February 28, IIS made pre-tax profits of £772,000, after adjustment for interest.

The initial consideration is just £3.86m cash plus 250,000 Summer shares. Further payments, based on a maximum of 5.7 times after-tax earnings, will be made dependent on future profits.

FT Share Service

The following securities were added to the Share Information Service in Saturday's edition: Butler Cox (Section: Electrical); DAF NV (Motors); Kingspan Group (Buildings); Pasmisco (Mines-Australians); Summitone Trust & Banking (Banks).

FI advances 48% to £1.48m

By Peter Pearce

FI GROUP, the Hertfordshire-based information systems company which has been used as a case study at the Harvard Business School, increased its pre-tax profits by 49 per cent from £1m to £1.48m in the year to April 30.

About 90 per cent of FI's staff are women, many are part-time freelance programmers and systems analysts, and they often work from home.

Mr Alastair Livingstone, group finance director, said that, although progress had been made "across the board", the financial services sector had shown the greatest growth in the period under review. However he added that since the year-end the retail and distribution and the public services sectors were showing signs of catching up.

Mr Livingstone said that margins at the pre-tax level were improving steadily. Currently they are in the region of 8 to 7 per cent, against an industry span of 7 to 10 per cent. He suggested the stock market "launch" could be sought, although not until at least after the end of the current financial year.

The company said that the profits advance was a reflection of the reorganisation of the company instituted in 1986 by Mrs Hilary Cropper, chief executive, as was the 28 per cent increase in turnover from £15.5m to £19.13m.



Hilary Cropper - seeing the fruits of her reorganisation

This notice does not constitute an offer or invitation to any person to subscribe for, or purchase, any securities.

Application has been made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") for the Ordinary Shares of 10p each (with Warrants attached) of Thornton Asian Emerging Markets Investment Trust plc issued and to be issued under the Offer for Subscription to be admitted to the Official List. It is expected that listing will become effective, and dealings in the Ordinary Shares of 10p each (with Warrants attached) will commence, on 28th July, 1989.

THORNTON ASIAN EMERGING MARKETS INVESTMENT TRUST PLC (incorporated in England and Wales under the Companies Act 1985. Registered No. 2340542)

Offer for Subscription sponsored by Cazenove & Co.

of up to 100,000,000 Ordinary Shares of 10p each (with Warrants attached) at 100p per Share payable in full on application

The Offer has been underwritten by Cazenove & Co. to the extent of 74,870,000 Ordinary Shares (with Warrants attached) in respect of all of which firm undertakings to subscribe or procure subscribers have been received by Cazenove & Co. Of these shares, Dresdner Bank AG has undertaken to subscribe on behalf of certain of its customers for an aggregate amount of 48,475,000 Ordinary Shares (with Warrants attached) and KEB International Limited, a subsidiary of Korea Exchange Bank, has undertaken to subscribe or procure subscribers for an aggregate amount of 2,270,000 Ordinary Shares (with Warrants attached).

The application list for the Ordinary Shares (with Warrants attached) being offered for subscription will open at 10.00 a.m. on 21st July, 1989 and may be closed at any time thereafter.

Thornton Asian Emerging Markets Investment Trust plc ("TAEMIT") is a new investment trust which will invest in specially selected companies in the emerging markets of the Asian-Pacific region.

The Company will be managed by Thornton Investment Management Limited which will delegate day-to-day investment management to Thornton Management (Asia) Limited. Both companies are members of the Thornton Group, which has considerable experience of investment in the Asian-Pacific region.

Listing Particulars were published in full in the Financial Times and The Daily Telegraph on 17th July, 1989 and are available during normal business hours on any day (other than Saturdays, Sundays and public holidays) up to and including Monday, 7th August, 1989 from the offices of the Sponsor to the issue and the Manager, at the addresses set out below:-

Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN

Thornton Investment Management Limited, 33, Cavendish Square, London W1M 7HF

and during normal business hours up to and including 20th July, 1989, from the Company Announcements Office of The Stock Exchange, 46-50, Finsbury Square, London EC2 for collection only. In addition, Listing Particulars will be available in new issue cards circulated in the statistical service maintained by Buxel Financial Limited on and from 28th July, 1989.

18th July, 1989.

STATE VISIT OF H.H. PRESIDENT SHEIKH ZAYED BIN SULTAN AL NAHYAN OF THE UNITED ARAB EMIRATES TUESDAY JULY 18TH 1989 - FRIDAY JULY 21ST 1989

THE U.A.E. - THE £463.3 MILLION A YEAR PARTNER

The State Visit to Britain of H.H. President Sheikh Zayed Bin Sultan Al Nahyan is this week under way.

He is an old friend, not least of all to British business.

Ever since the United Arab Emirates was established in 1971 Britain has been one of the country's major trading partners. Last year this added up to £463.3 million - the second largest buyer of British goods in the Middle East after Saudi Arabia.

From next September, for the following six months, there will be a total of ten officially supported trade missions to the Emirates by British Chambers of Commerce and Manufacturers' Organisations.

The Rt. Hon. Lord Young, as Minister of Trade and Industry, says that over a wide range of products, from British Home Stores to I.C.L. and from engineering consultants W.S. Atkins to British Aerospace, the evidence of the U.A.E.'s purchase of goods from the United Kingdom can be seen almost everywhere in the country.

This announcement is issued by trade and industry friends of the United Arab Emirates in the United Kingdom.

FOUR MORE FACTS ABOUT THE EMIRATES

1. Surprisingly, one of the most successful Emirates' exports to Britain is perhaps the most unlikely (luscious fresh strawberries from desert farms that come to maturity before the European growing season starts).

2. The bulk of U.A.E. exports are invisible. An Abu Dhabi Investment Authority, as only one example, manages several billion pounds worth of investment through its London office and represents an invaluable contribution to London City business.

3. High-profile are the investments of Dubai's ruling Al Maktoum family in the British horse racing industry. This investment alone runs into many millions - and also creates thousands of jobs for Britons.

4. Thirty thousand Britons work in the United Arab Emirates, virtually all of them feeding money back home. And literally hundreds of Emirates citizens own flats, houses and estates in Britain. Many thousands visit on holiday every year, mammoth shoppers who introduce tremendous sums into the United Kingdom economy.

COMMODITIES AND AGRICULTURE

Comex chief quits over lack of salary

By Deborah Hargreaves in Chicago

MR JOHN HANEMANN, chairman of New York's Commodity Exchange (Comex) resigned late last week in a move that came as a surprise to traders.

MacSharry stands firm on budget stabilisers plan

Bridget Bloom and Tim Dickson interview the Agriculture Commissioner on the CAP reforms

THE EUROPEAN Community's reforms of the common agricultural policy are proving successful and will remain in being for the foreseeable future, according to Mr Ray MacSharry, the EC's Agriculture Commissioner.



Ray MacSharry: "Why change such a successful policy?"

In an interview in his Brussels office late last week, Mr MacSharry denied suggestions that since he became Agriculture Commissioner six months ago, the so-called budget stabilisers agreed by the EC summit in February 1988 were being eroded under pressure from the farming lobby.

He concluded much more quickly than in the two previous years, as well as in the preparations for the April meeting in Geneva of the General Agreement on Trade and Trade, which broke the logjam in the Uruguay round of trade and agriculture talks.

Peruvian miners say strike will go ahead

PERU'S 70,000-member Mineworkers' Federation will go ahead with plans to launch an indefinite strike on August 14 in spite of two wage settlements in the state mining sector, the head of the federation said yesterday, reports Reuters from Lima.

Workers at the state-run Centromin and Minero Peru lifted strike threats this week after signing accords with management.

Centromin and Minero Peru workers solved their disputes for now, but this does not affect the national strike. On the contrary, they will be saving their strength for the strike," said Mr Jorge Quispe, secretary general of the federation.

Metals traders were predicting limited success for the strike, in support of demands for wider collective bargaining, and did not rule out the possibility of the unions cancelling it. But they said the economy's progress in the next month could hold the key.

Miners had been building up savings in preparation for the stoppage, said Mr Quispe. It would be the first national walkout since a three-day "warning strike" in April, when miners admitted was a failure.

But some powerful unions that did not back the April strike have thrown their support behind the coming indefinite walkout.

Leaders of the 14,000-member Centromin workers' federation say they will back the next strike in spite of opposing the three-day stoppage and signing a wage settlement with management on Wednesday.

Mr Gurrilla bombings at the Centromin's Morococha polymetallic mine have halted production in at least five mines, a Lima newspaper reported.

Ghana's farmers sow the seeds for a green revolution

William Keeling on Global 2000, the project which aims to tackle the country's agricultural difficulties

ON ONE side of the compound languished the remnants of a past era: the dinosaur hulks of broken tractors and combined-harvesters, acting as a perpetual reminder of the age of mechanised state-farms.

Sasakawa turned to Norman Borlaug, the agronomist who was the principal architect of India's "green revolution" in the 1960s and together they enlisted the support of ex-president Jimmy Carter as chairman of the project.

There is nothing new in its precept that by coupling correct planting techniques with improved seed varieties and the timely inputs of fertiliser yields will increase.

Dr Martinez believes the answer will spring from the private enterprise of those already within the project. Another essential ingredient is the provision of credit to enable the farmer, long-starved of cash resources, to purchase

the necessary inputs. The budget of Global 2000 this year is set at \$1.7m, the majority of which goes to financing a novel credit scheme.

The farmer receives a loan in the form of the actual inputs and is allowed to repay either in cash or in kind. Initial debt recovery was high. Sources of finance are being sought as the project expands, and having built-up the good name of Global 2000 the organisers are using it as a marketing device to persuade the commercial banks to extend credit to farmers.

Cash boost for copper mine

FREESTOP INDONESIA, 85.39 per cent owned by Freestop-McMoran of the US, is to invest \$511m in expanding its copper mining operations in Irian Jaya province, according to Mr Usman Pamuntjak, the company's president, reports Reuters from Bandung.

He said the expansion would double the company's output and expected it to be on stream in 1992 or 1993.

Mr Ginnar Kartasasmita, the Mines and Energy Minister, has said Freestop could continue to operate in Indonesia, but should build a smelter to process copper concentrate into metal.

Freestop produced 298,711 tonnes of copper concentrate in 1988 and 236,846 tonnes in 1987.

Table with 2 columns: Commodity, Price/Change. Includes Aluminum, Copper, Lead, Nickel, Zinc, Tin.

LONDON MARKETS

LONDON'S COCOA futures market broke 5-month trading range to reach 5-month highs yesterday, but with the move not being followed up in New York the rise ran out of steam in the afternoon.

Table with 4 columns: Commodity, Close, Previous, High/Low. Includes Coffee, Sugar, Wheat, etc.

COCOA Options

Table with 4 columns: Date, Close, Previous, High/Low. Includes various cocoa options contracts.

SUGAR (\$ per tonne)

Table with 4 columns: Commodity, Close, Previous, High/Low. Includes various sugar contracts.

LONDON METAL EXCHANGE

Table with 5 columns: Commodity, Close, Previous, High/Low, AM Official. Includes Aluminum, Copper, etc.

POTATOES Options

Table with 4 columns: Date, Close, Previous, High/Low. Includes various potato options contracts.

US MARKETS

IN THE METALS, gold prices were higher in quiet trading reflecting a soft US dollar, reports Drexel Burnham Lambert. Silver produced the largest gain from fund buying and elected commission house top orders.

NEW YORK

Table with 4 columns: Commodity, Close, Previous, High/Low. Includes Gold, Silver, etc.

COPPER 25,000 lbs cent/bushel

Table with 4 columns: Date, Close, Previous, High/Low. Includes various copper contracts.

SUGAR WORLD #11 112,000 lbs cent/bushel

Table with 4 columns: Date, Close, Previous, High/Low. Includes various sugar contracts.

Chicago

Table with 4 columns: Commodity, Close, Previous, High/Low. Includes Soybeans, Corn, etc.

SOYBEAN MEAL 100 lbs; \$/ton

Table with 4 columns: Date, Close, Previous, High/Low. Includes various soybean meal contracts.

There were 16,780 positions on offer at this week's auction, including 4,600 offshore, reports the Tea Brokers' Association. The new best liquoring case African tea on offer were steady, while selected quality medium advanced by 2-3p, but the remainder were irregular with dust grades sometimes superior. Central African teas were supported with prices trending slightly lower. Ceylon liquoring case African tea on offer to dealer rates. In the offshore section selected higher teas ruled 5m to dealer with others about steady. Ceylon quality 100% normal (1989), medium 100p (1989), low medium 107p (1989).

£ a tonne unless otherwise stated. p=ounce, c=cent, r=ring, h=p, y=Jun, w=Aug, s=Sep, u=Jun/Jul, j=Jul/Aug, A=Aug/Sep, V=Aug/Oct. Meat Commission average fatstock prices. * change from a week ago. @London physical market. @FCF Rotterdam. @Bullion market close. @Malaysian cent/kg.

LONDON STOCK EXCHANGE

Equities close well below day's highs

LONDON'S EQUITY market greeted the start of the new trading account with an initial extension of the recent upward push to post-crash highs but, significantly, ran into a bout of small-scale but persistent profit-taking to close only fractionally higher on the session.

Account Dealing Dates table with columns for Date, Time, and Description.

Press. Adding to an initial flurry of buying interest was news of an agreed £314m bid in the property sector, one of the market's outperformers over the past two weeks, and hopes of yet more bids to come.

survey of the distributive trades showed a marked slowing in retail sales during June compared with May. Figures released mid-morning by the authorities confirmed the CBI/FT line with sales during the month dropping by 1.5 per cent on the May figure, well below market forecasts.

cial close had reduced it to 2,274.6 - a mere 0.9 up on the day. The downturn in prices was given added impetus from the relatively disappointing performance of Wall Street which was some 10 points off just a couple of hours into the US market's trading session.

funds and institutions are frightened to sell in case of missing the next big move or takeover story. Mr Jeffrey Thompson, equity strategist at BZW, said he remained his cautious stance on the market "while recognising that the strength of liquidity and bid activity limits the downside. Even on bad news, we see the market supported at 2,100 through the Autumn interims which start in September, our year-end target of 2,350 for FT-SE is unchanged."

FINANCIAL TIMES STOCK INDICES table with columns for Index Name, July 14, July 15, July 16, July 17, July 18, 1989, High, Low, and Change.

Income funds sell Gas

British Gas easily topped the list of active shares in the energy sector as the price reacted to what dealers described as strong selling pressure from income funds.

The shares were also said to have been unsettled by news that the company is re-examining its pricing structure for industrial consumers after pressure from Ofgas, the industry's regulatory body, and from the Monopolies and Mergers Commission.

FT-A All-Share Index



Equity Shares Traded (Timewise by volume) table showing trading volume for various sectors.

Sherson Lehman

Part of C & W's price rise was a result of Bankers Trust buying both stock and options to cover its position. It was the third busiest instrument in yesterday's traded options market with contracts agreed for the equivalent of more than 2.5m shares.

Cookson burst Specialist chemical giant Cookson put in a rare burst of activity both stock and options trading last weekend between the company and sales staff at Kleinwort Benson. The stock opened firmly and, unlike much of the rest of the market, held onto ground gained to end at 348p, up 11. Volume was good for the stock at 4.5m shares.

Equity Shares Traded

annual premiums on world-wide life and pensions business to £154m for the first half of 1989. BAT Industries went higher initially on weekend press suggestions that Sir James Goldsmith's Anglo Group was wooing several international financiers as equity investors in the £200m bid for the UK conglomerate. A buy recommendation from Mr Bruce Davidson of Smith New Court also helped, but the upturn lost impetus and the shares gave back the gain, 10 at one stage, to close fractionally better on the day at 379p.

Concluding his analysis of the offer, the Smith researcher says: "Now that a bid has been launched, there will be enormous pressure to realise the value inherent in the company. This will come from the competitive nature of the investment banking industry which will be looking at angles to exploit for a predator. In addition, the range of banks lined up in BAT's camp will also be searching for ways in which values can be realised, while keeping the company independent."

not its majority shareholder

BATs, currently subject of a £130m takeover bid, remains independent. "BATs may have to demonstrate its readiness to shareholder value," said an analyst. VG climbed 16 to 372p. STC found support in early trading on speculation over what Olivetti might do as it loses its ties with AT&T of the US. The group was quickly lost as thoughts turned towards next week's interim figures. Analysts at Warburg Securities are forecasting profits marginally ahead at £110m, against £100m last time. "Last year's first-half benefited from cable completions," said Mr James Golob of Warburg. STC ended 8 off at 371p.

News that a family shareholder had sold half his 1/8th stake, leaving him with just more than 9 per cent, triggered some aggressive buying. The resulting stock shortage forced the price up to 189p before it closed at 182p, still a net improvement of 23. One dealer felt that the buyers were anticipating a bid, although there was no immediate indication of who had bought the stake.

TRADING VOLUME IN MAJOR STOCKS table with columns for Stock, Volume, and Price.

way, and with a cross of 5.7m shares seen in the market at 121p yesterday it appeared that Newgateway was adding to its holding. Press suggestions that timber merchant Aaronson would be subject to a 130p share bid boosted the stock to 100p, before it subsided to 96p, a net rise of 9.

NEW HIGHS AND LOWS FOR 1989

NEW HIGHS (cont.) NEW LOWS (cont.)

APPOINTMENTS

Mr Bernard Rosser has been appointed SSN20 project director by VSEL from August 1. VSEL is prime contractor designate for SSN20, the next generation of nuclear-powered submarines for the Royal Navy.

Submarine project director

Mr Alan Wesley (above) has been appointed group managing director of TOWRY LAW (HOLDINGS). He remains managing director of Towry Law (General Insurance).

financial officer of Consolidated Gold Fields

Mr Tony Thatcher, group chief executive, Dowry Group. They will remain with the company when it is privatised.

Mr Bryan Kellest, Lloyd's

Mr Ron Eider has been appointed managing director of AVIS LEASE & FLEET MANAGEMENT. He is vice president and group financial controller of Avis Europe.

ANALYSIS OF BANK ADVANCES AND ACCEPTANCES

Table with columns for Sector, Advances, and Acceptances.

Mr Alan Wesley (above)

Mr Alan Wesley (above) has been appointed group managing director of TOWRY LAW (HOLDINGS). He remains managing director of Towry Law (General Insurance).

Mr Bryan Kellest, Lloyd's

Mr Bryan Kellest, Lloyd's has been elected president of THE INSURANCE INSTITUTE OF LONDON.

Mr Ron Eider has been appointed managing director

Mr Ron Eider has been appointed managing director of AVIS LEASE & FLEET MANAGEMENT. He is vice president and group financial controller of Avis Europe.

Mr Bill Nuttall, chief executive of Linguarama

Mr Bill Nuttall, chief executive of Linguarama, has joined the board of BPP HOLDINGS following its acquisition of Linguarama.

Mr Andrew Deeks has been appointed to the group management of SAVA HOLDINGS

Mr Andrew Deeks has been appointed to the group management of SAVA HOLDINGS. He is business development manager of Chadwick's of Bury and deputy chairman and chief executive of Plam-IT Commercial Products.

Mr Frank Carone has been appointed vice president and senior marketing officer

Mr Frank Carone has been appointed vice president and senior marketing officer, BANKERS TRUST COMPANY, London. He was executive director and head of corporate finance - Europe/UK, Bank of America International.

Mr David Jaeger has been appointed consultant and actuary with BUCK

Mr David Jaeger has been appointed consultant and actuary with BUCK.

Mr George Wimpey has appointed Mr John Pritchard as sales and marketing director

Mr George Wimpey has appointed Mr John Pritchard as sales and marketing director of Wimpey Lease. He was a director of Horizon Holidays.

Mr Paul Smith has been appointed as managing director of RESKINE OFFICE SYSTEMS

Mr Paul Smith has been appointed as managing director of RESKINE OFFICE SYSTEMS, and will join the board of Reskine House UK.

Mr Monty Finiston has been appointed chairman of TRICUSPID

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Mr Frank Carone has been appointed vice president and senior marketing officer

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Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Main table containing unit trust information, organized into columns by fund name, price, and other details. Includes sections for 'AUTHORISED UNIT TRUSTS', 'GUIDE TO UNIT TRUST PRICING', and various fund categories like 'Equity & Law Unit Trusts', 'Fixed Income', etc.

GUIDE TO UNIT TRUST PRICING
NET ASSET VALUE: This represents the underlying assets and other items which have to be paid by your purchaser. These are divided by the number of units to give the net asset value per unit.
OFFER PRICE: This is the price at which units are sold. It is usually higher than the net asset value per unit to allow for the costs of the unit trust.
REDEMPTION PRICE: This is the price at which units are bought back. It is usually lower than the net asset value per unit to allow for the costs of the unit trust.

صحة من الامل

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for company name, unit price, and other financial details. Includes sub-sections like 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for Name, Price, and other details. Includes sub-sections for 'OFFSHORE AND OVERSEAS', 'MANAGEMENT SERVICES', 'GUERNSEY (SIB RECOGNISED)', 'LUXEMBOURG (SIB RECOGNISED)', and 'GUERNSEY (**)'.

صندوق الاستثمار

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various investment funds, their performance, and details. Includes sections for 'ISLE OF MAN', 'LUXEMBOURG', and 'OTHER OFFSHORE FUNDS'.

LONDON SHARE SERVICE

Table of London Share Service listing various British Funds, Commonwealth & African Loans, Foreign Bonds & Rails, and American Funds. Includes sections for 'BRITISH FUNDS', 'COMMONWEALTH & AFRICAN LOANS', 'FOREIGN BONDS & RAILS', and 'AMERICANS'.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various banks and their account details, including interest rates and terms.

Money Market Trust Funds

Table of Money Market Trust Funds listing various trust funds and their details.

UNIT TRUST NOTES: Information regarding unit trusts, including details on how to purchase units, the role of the trustee, and the importance of reading the prospectus.

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as AT&T, IBM, and General Electric with their share prices and financial metrics.

BUILDING, TIMBER, ROADS - Contd

Table listing companies in the building, timber, and roads sectors, including various construction and materials firms.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sector, including retail and textile businesses.

ENGINEERING - Contd

Table listing companies in the engineering sector, including various engineering and technology firms.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies, including a wide range of manufacturing and service firms.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies, continuing the list from the previous section.

CANADIANS

Table listing Canadian companies, including various financial and service firms.

ELECTRICALS

Table listing companies in the electrical sector, including various electrical engineering and supply firms.

FOOD, GROCERIES, ETC

Table listing companies in the food, groceries, and related sectors, including various food processing and retail firms.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

BANKS, HP & LEASING

Table listing companies in the banking, hire purchase, and leasing sectors, including various financial institutions.

CHEMICALS, PLASTICS

Table listing companies in the chemicals and plastics sectors, including various chemical manufacturing firms.

DRAPERY AND STORES

Table listing companies in the drapery and stores sector, including retail and textile businesses.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

BEERS, WINES & SPIRITS

Table listing companies in the beer, wine, and spirits sectors, including various beverage manufacturers.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors, including various construction and materials firms.

ENGINEERING

Table listing companies in the engineering sector, including various engineering and technology firms.

HOTELS AND CATERERS

Table listing companies in the hotels and catering sectors, including various hospitality firms.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INSURANCES

Table listing companies in the insurance sector, including various insurance providers.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors, including various construction and materials firms.

ENGINEERING

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-225-2128

INSURANCES - Contd

Table of insurance companies including Aviva, AXA, and others, with columns for stock price, high, low, and change.

LEISURE

Table of leisure companies including British Airways, British Airways PLC, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including British Leyland, British Leyland PLC, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies including News International, News International PLC, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including Newsprint, Newsprint PLC, and others.

PROPERTY

Table of property companies including British Land, British Land PLC, and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies including Newsprint, Newsprint PLC, and others.

SHIPPING

Table of shipping companies including British Shipbuilders, British Shipbuilders PLC, and others.

SHOES AND LEATHER

Table of shoes and leather companies including British Shoe, British Shoe PLC, and others.

TEXTILES

Table of textile companies including British Textiles, British Textiles PLC, and others.

TOBACCOS

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including British Trustee, British Trustee PLC, and others.

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OIL AND GAS - Contd

Table of oil and gas companies including British Petroleum, British Petroleum PLC, and others.

OVERSEAS TRADERS

Table of overseas traders including British Overseas, British Overseas PLC, and others.

PLANTATIONS

Table of plantation companies including British Plantations, British Plantations PLC, and others.

MINES

Table of mining companies including British Mining, British Mining PLC, and others.

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Table of mining companies including British Mining, British Mining PLC, and others.

MINES - Contd

Table of mining companies including British Mining, British Mining PLC, and others.

THIRD MARKET

Table of third market companies including British Third Market, British Third Market PLC, and others.

NOTES

Stock Exchange dealing classifications are indicated to the right of security titles. A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including British Regional, British Regional PLC, and others.

TRADITIONAL OPTIONS

Table of traditional options including British Options, British Options PLC, and others.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar cautious but firmer

THE DOLLAR finished towards the lower end of the day's range yesterday... managed to show a small gain over Friday's closing levels.

DM1.9065 from DM1.9030 and ¥141.55 compared with ¥140.45. Elsewhere, it finished at SFr1.6470 from SFr1.6450 and FFfr.4850 against FFfr.4875.

rate policy is beginning to trim back consumer spending. At the same time, there appears to be little chance of any early reduction in interest rates, hence the pound's attraction.

ESAS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Unit, Rate, % change, % change, Difference from %.

£ IN NEW YORK

Table with columns: July 17, Latest, Premium, Clear.

STERLING INDEX

Table with columns: July 17, Premium, Clear.

CURRENCY RATES

Table with columns: July 17, Bank, Special, European, Currency.

CURRENCY MOVEMENTS

Table with columns: July 17, Bank, Special, European, Currency.

OTHER CURRENCIES

Table with columns: July 17, £, S.

POUND SPOT-FORWARD AGAINST THE POUND

Table with columns: July 17, Day's spread, One month, Three months, Six months, One year.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table with columns: July 17, Day's spread, One month, Three months, Six months, One year.

EURO-CURRENCY INTEREST RATES

Table with columns: July 17, Short term, 7 Day, One Month, Three Months, Six Months, One Year.

EXCHANGE CROSS RATES

Table with columns: July 17, £, S, DM, ¥, F Fr., N Fl., H Fl., C S, B Fr.

FINANCIAL FUTURES

Prices up after retail sales

SHORT STERLING futures attracted much of the attention in yesterday's Life market, moving just five ticks higher in the September contract to finish at 86.83 from 86.48 on Friday.

any appreciation - the contract is already discounting a half point reduction in base rates - is likely to be limited because the chances of a corresponding fall in cash rates seems unlikely in the short term.

over 25,000 lots changing hands. Long gilt futures were also relatively active with nearly 15,000 contracts traded.

LIFFE GILT FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO DOLLAR FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO STERLING FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO DOLLAR FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO STERLING FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO STERLING FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO DOLLAR FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LONDON (LIFF)

3 YEAR 9% NATIONAL GILT

Table with columns: Bid, Offer, High, Low, Prev.

5 YEAR 10% NATIONAL GILT

Table with columns: Bid, Offer, High, Low, Prev.

10 YEAR 12% NATIONAL GILT

Table with columns: Bid, Offer, High, Low, Prev.

3 MONTH EURO DOLLAR

Table with columns: Bid, Offer, High, Low, Prev.

6 MONTH EURO DOLLAR

Table with columns: Bid, Offer, High, Low, Prev.

9 MONTH EURO DOLLAR

Table with columns: Bid, Offer, High, Low, Prev.

1 YEAR EURO DOLLAR

Table with columns: Bid, Offer, High, Low, Prev.

3 MONTH EURO STERLING

Table with columns: Bid, Offer, High, Low, Prev.

6 MONTH EURO STERLING

Table with columns: Bid, Offer, High, Low, Prev.

9 MONTH EURO STERLING

Table with columns: Bid, Offer, High, Low, Prev.

1 YEAR EURO STERLING

Table with columns: Bid, Offer, High, Low, Prev.

LIFFE EURO DOLLAR FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO STERLING FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO DOLLAR FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

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LIFFE EURO DOLLAR FUTURES

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LIFFE EURO STERLING FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

LIFFE EURO DOLLAR FUTURES

Table with columns: Month, Price, % change, % change, Difference from %.

MONEY MARKETS

Short dates higher

SHORT-TERM UK interest rates were slightly higher yesterday, partly in response to a very large shortage of day-to-day liquidity, while longer term rates fell on a bigger than expected fall in June UK retail sales.

revised to a shortage of around £1.650m, and the Bank gave assistance later in the morning of just £72m through outright purchases of eligible bank bills in band 1 at 13 1/2 per cent.

At the same time, there appears to be little chance of any early reduction in interest rates, hence the pound's attraction.

UK clearing bank base lending rates

Table with columns: 14 per cent, from May 24.

SALES

one year money finished lower at 13 1/2 per cent from 13 1/4 per cent. However the three-month rate was slightly higher at 13 1/4 per cent from 13 1/4 per cent.

FRANKFURT

Table with columns: 14 per cent, from May 24.

NEW YORK

Table with columns: 14 per cent, from May 24.

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NEW YORK

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COMPANY NOTICES: VOLKSWAGEN Aktiengesellschaft Wolfsburg. PAYMENT OF DIVIDEND. NOTICE IS HEREBY GIVEN to shareholders that following a resolution passed at the Annual General Meeting of shareholders held on 13th July 1989 a dividend for the year ended 31st December, 1988 will be paid...

JOTTER PAD. CROSSWORD. No.6,988 Set by FRESKA. SOLUTION TO PUZZLE No.6,987.

صكنا من الامل

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, Belgium/Luxembourg, Denmark, Finland, France, Germany, Italy, Japan, Korea, and the Netherlands. Columns include stock names, prices, and changes.

Table of stock market data for Japan, listing various companies and their stock prices and changes.

Table of stock market data for Canada, listing various companies and their stock prices and changes.

Table of stock market data for New York, including Dow Jones and NYSE indices, and a list of active stocks.

Table of stock market data for Tokyo, listing various companies and their stock prices and changes.

Advertisement for 'Travelling by air on business?' featuring the Financial Times logo and contact information for travel agencies.

Large advertisement for the Financial Times, featuring a graphic of a globe and the headline 'To keep the world in focus...'.

3pm prices July 17

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month					52 Weeks					12 Month					52 Weeks					12 Month					52 Weeks									
High	Low	Stock	Div. Yld.	Close	High	Low	Stock	Div. Yld.	Close	High	Low	Stock	Div. Yld.	Close	High	Low	Stock	Div. Yld.	Close	High	Low	Stock	Div. Yld.	Close	High	Low	Stock	Div. Yld.	Close	High	Low	Stock	Div. Yld.	Close
214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100
187	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100
187	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100
187	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100
187	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100	214	187	AAA	4.4	100



Continued on Page 41

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for 12 Month High, Low, Stock, Div. Yld., % Change, and Close Price. Includes a 'Continued from previous Page' note.

Notes explaining the data in the NYSE Composite Prices table, including definitions for high and low prices and dividend information.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices July 17

Table of Over-the-Counter prices listing various stocks with columns for Stock, Div., % Change, and Price. Includes a 'Continued from previous Page' note.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices with columns for Stock, Div. Yld., % Change, and Price. Includes a 'Continued from previous Page' note.

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